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ABSTRACT

A project developed and tested a management and leadership capability framework for the vocational educational and training (VET) sector. The framework emerged from a review of research into the characteristics and behaviors of managers and leaders and from interviews and focus group meetings with VET managers. The framework that emerged consisted of these nine core capabilities: (1) corporate vision and direction; (2) focuses strategically; (3) achieves outcomes; (4) develops and manages resources; (5) change leadership; (6) interpersonal relationships; (7) personal development and mastery; (8) business and entrepreneurial skills; and (9) develops and empowers people. These capabilities and their associated 73 elements were incorporated into a questionnaire sent to 396 VET managers who rated their actual level and required level of proficiency on each capability. Overall, managers' high ratings confirmed validity of the framework. A gap analysis of the required versus actual levels of proficiency revealed a number of training or developmental needs for VET managers. Major areas of training and development needs identified were in these three capability domains: corporate vision and direction, focuses strategically, and achieves outcomes. (Appendixes include 74 references, survey questionnaire, and analyses of capabilities by state.) (YLB)

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What are the essential capabilities for those who manage training organisations?

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Victor J Callan

NCVER

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Executive summary

This report develops and tests a management and leadership capability framework for the vocational education and training (VET) sector. The framework emerged from a comprehensive review of research into the characteristics and behaviours of managers and leaders, as well as from interviews and focus group meetings with VET managers.

The management and leadership capability framework which emerged consisted of nine core capabilities:

- corporate vision and direction
- focusses strategically
- achieves outcomes
- develops and manages resources
- change leadership
- interpersonal relationships
- personal development and mastery
- business and entrepreneurial skills
- develops and empowers people

These nine core capabilities and their associated 73 elements were incorporated into a questionnaire sent to managers in the VET sector. A total of 396 managers from all States and Territories rated their actual level of proficiency on each management and leadership capability, and their required level of proficiency. Overall, the high ratings by managers confirmed the validity of the framework and its capabilities for application to the VET sector.

These nine capabilities and their elements are:

Corporate vision and direction

- promotes and communicates a clear vision for the organisation
- effectively involves people in determining how to achieve the vision
- builds a successful corporate team
- establishes clear expectations about the level of performance required of team members to achieve the vision
- inspires people to commit to achieving the vision
- develops an effective strategy at achieving the vision
- supports the vision of leaders above them in the organisation

Focusses strategically

- envisages future trends and their impact on the organisation
- undertakes effective strategic analysis and reviews
- advocates strategic initiatives that keep the organisation ahead of its competitors
- demonstrates a comprehensive understanding of the VET sector, and how new government initiatives potentially impact upon the sector
- evaluates information quickly, critically and strategically
- creates a network of relationships that help to get things done
- assesses a range of solutions rather than selecting the easiest option
- makes a decision about the strategy and moves matters forward without delay
- demonstrates a willingness to look for original solutions 'outside the square'

Achieves outcomes

- achieves results that lead to long-term value for stakeholders
- creates a culture of achievement by ensuring that new initiatives actually produce expected outcomes
- sets and monitors clear performance standards
- inspires others to achieve the highest levels of quality
- develops and implements ongoing evaluation processes to monitor the efficiency, effectiveness and equity of outcomes
- applies a commercial orientation in the organisation by focussing on efficient and effective use of resources
- converts new ideas into value-added products and services
- effectively translates innovative ideas into business results
- holds people accountable for results

Develops and manages resources

- allocates and manages resources to achieve agreed outcomes
- eliminates waste and unneeded cost
- applies innovative solutions to gain the full use of the physical and other resources of the institution
- implements continuous improvement driven by information available from the institution's performance management processes and systems
- overcomes 'road blocks' that reduce the effective use of resources
- uses new technology well to increase organisational performance

Change leadership

- alters organisational structures and practices to meet client needs
- demonstrates a willingness to seek others' views about new initiatives or changes for the organisation
- is confident about using a range of strategies to change the organisation's culture and value systems
- galvanises others to act on required changes
- adopts a planned and staged approach to the management of change

- gains the commitment of staff to the adoption of new practices in the delivery of education and training
- is able to work with ambiguity and uncertainty
- communicates the need for change to staff using a wide range of communication channels and opportunities
- facilitates individuals to work together to identify and achieve common goals
- is willing to challenge the system when change is needed

Interpersonal relationships

- consults and facilitates the sharing of opinions in deciding upon appropriate actions, products or services
- negotiates persuasively
- liaises and communicates effectively
- appreciates the value of diverse views and opinions
- encourages debate that results in others' opinions rather than their own being adopted
- trusts people enough to 'let go'
- is sensitive to differences in the personalities and motivations of staff
- applies high standards of ethical behaviour in dealing with staff and clients

Personal development and mastery

- demonstrates personal integrity and applies ethical practices
- understands his/her own strengths and weaknesses
- recognises and addresses areas for personal development to be a better manager and leader
- as a team player, knows when to lead and when to follow
- admits to mistakes and errors of judgment
- demonstrates self-confidence as a leader
- recognises and accepts the need to seek support and help in their professional development
- shows appropriate emotional responses in a variety of situations
- has the technological knowledge required to succeed in tomorrow's world
- seeks to balance work and home commitments
- engages in positive practices towards the management of the emotional and physical impact of stress

Business and entrepreneurial skills

- uses marketing skills to identify different segments and product mixes for potential customers
- operates as an educational entrepreneur
- promotes the skills and expertise of staff in the organisation to customers
- demonstrates to customers the partnering potential of people in the organisation
- knows how to close a deal
- encourages a sharing of ideas about sources of new business

- views business processes from the ultimate customer prospective (that is, has an 'end-to-end' view)
- operates as a financial manager through the strategic use of budget documents and estimates
- employs financial management systems to make longer term strategic decisions about the business
- practises and encourages fiscal responsibility

Develops and empowers people

- deals effectively with poor performers by delivering appropriate forms of feedback
- identifies and implements programs and activities which meet staff development needs
- seeks opportunities to give advice, coaching or mentoring
- promotes trusting relationships that make staff feel valued
- makes a point of acknowledging good performance
- creates a learning environment for staff that encourages the introduction of innovative products, technologies and systems
- manages external expectations about the performance of staff under one's responsibility
- actively seeks out, encourages and develops talent
- asks people what they need in order to do their work better

In addition, a gap analysis of the required versus actual levels of proficiency revealed a number of training or developmental needs for VET managers. Overall, for the majority of specific capabilities listed earlier, these managers and leaders did not identify major training needs across all areas; rather, the needs that emerged were in certain areas. The major areas of training and developmental needs identified were in the three capability domains of 'corporate vision and direction', 'focusses strategically' and 'achieves outcomes'.

More specifically, these training and development needs were identified as the following:

Corporate vision and direction

- promotes and communicates a clear vision for the organisation
- effectively involves people in determining how to achieve the vision
- establishes clear expectations about the level of performance required of team members to achieve the vision
- inspires people to commit to achieving the vision
- develops an effective strategy at achieving the vision

Focusses strategically

- envisages future trends and their impact on the organisation
- undertakes effective strategic analysis and reviews
- advocates strategic initiatives that keep the organisation ahead of its competitors

Achieves outcomes

- sets and monitors clear performance standards
- develops and implements ongoing evaluation processes to monitor the efficiency, effectiveness and equity of outcomes
- converts new ideas into value-added products and services
- effectively translates innovative ideas into business results

Across the remaining capability areas, other developmental needs that emerged were:

- uses technology well to increase organisational performance
- gains the commitment of staff to the adoption of new practices in the delivery of education and training
- has the technological knowledge required to succeed in tomorrow's world
- uses marketing skills to identify different segments and product mixes for potential customers
- deals effectively with poor performers by delivering appropriate forms of feedback

The developmental needs of the three levels of managers—directors/chief executive officers (CEOs)/managing directors, senior managers and departmental heads—were generally similar. However, directors/CEOs/managing directors were generally more likely than other managers to identify developmental needs in 'corporate vision and direction', 'achieves outcomes' and 'develops and manages resources'. Analysis by State revealed high levels of similarity by management level in their identified training needs.

Finally, the capability framework identified in this report provides a useful summary of the capabilities required to manage and lead effectively in the VET sector. The gap analysis also indicates areas of training and developmental need. In the context of designing appropriate management and leadership development initiatives to close these gaps, this report describes a wide range of strategies for meeting the training and development needs of managers in the VET sector, including presentation methods, hands-on methods, and team-building methods. As training needs were broadly similar across States, this report supports the usefulness in developing national leadership programs that incorporate multiple learning elements like those detailed in the report.

Introduction and aims of the project

The central research question proposed by the National Centre for Vocational Education Research (NCVER) and behind this project is that:

> *Given the competitive environment in which registered training organisations operate with the emphasis on autonomy and all the changes to education and management practices that have occurred, what are the skills and competencies needed of both senior management and front-line management (department heads) within registered training organisations? How can leadership knowledge be put into practice in the VET* [vocational education and training] *sector?*

The report of the Industry Task Force on Leadership and Management Skills (Karpin 1995) proposed that a new model of managing and leading for Australia is required to create public and private sector enterprises which are more flexible, innovative, people-focussed and accountable. The Karpin report argues that the next generation of leaders needs to be transformational in style. They must master a complex, fast-changing and possibly unfamiliar competitive environment. In addition, the new basis for competitive success in all industry sectors, including VET, will be better management and leadership skills.

Transformational leadership

A key element of the new leadership paradigm to emerge from the Karpin report is the role of the transformational leader. While management is involved with dealing with complexity and the present, leadership concerns the establishment of a compelling vision, direction and a plan for the future (Kotter 1990, 1995; Karpin 1995). This transformational type of leader is comfortable working in environments typified by rapid change and high pressure. For instance, Sarros and Butchatsky (1996) in their interviews with Australian leaders found that Australian managers and leaders were becoming more familiar and comfortable with change and the need to adopt a range of enabling behaviours to produce successful corporate change.

Transformational leaders believe that the skills and abilities required for their future success include:

- leading from within rather than from the front
- promoting responsibility among followers by providing higher levels of empowerment in enterprises
- not being concerned with power
- communicating often and clearly, and monitoring the messages sent out
- working with people at all stages in implementing new programs and ideas

- being committed to instilling a sense of 'belongingness' in employees
- achieving credibility through, honesty, competence, forward-looking behaviour
- behaving intelligently

On this last quality of intelligence, leaders are now recognising the need to acquire and display not only cognitive intelligence, but also a higher level of emotional intelligence in how they relate to their staff (Cooper & Sawaf 1997).

The extent to which a leader is transformational—that is, whether he or she can raise employees to a higher level of functioning—especially emerges in discussions of the successful management and leadership of organisational change (Kotter 1995; Yukl 1994). While few leaders are charismatic, most managers in the VET sector and other fields of industry can choose to engage in transformational styles of leadership. Central to this view is the leader's ability to transform and motivate subordinates through an emphasis upon the importance of tasks and outcomes; through attention to organisational and team interests ahead of individual concerns; and by activating in subordinates the needs for self-fulfilment, success and personal growth (Avolio 1995; Kouzes & Posner, 1993).

We know that subordinates' needs are continuously addressed by the transformational leader. In most transformational theories, leaders are depicted as achieving these outcomes through a mix of charisma, intellectual stimulation, and by a strong use of empowerment, encouragement and support for their subordinates' actions. Research findings reveal that subordinates label a leader as more effective when they engage in transformational behaviours. Avolio and his researchers in a large number of studies (Avolio 1995 1996; Avolio & Bass 1995; Bass & Avolio 1990, 1994) have found that transformational leaders exist at all levels in our organisations. Also, they can be identified at quite early stages in their growth as leaders.

In line with the enabler style of leadership identified in the Karpin report (1995), such leaders empower followers, show self-confidence, and particularly drive change. Most significantly, the more transformational is the leadership at higher levels in the organisation, the more likely it is that transformational styles of leadership also exist at lower levels. In addition, as noted by Kotter (1995) in his description of differences between leading and managing, transformational leaders take advantage of crises to move individuals and teams to higher levels of commitment and performance.

Australian context

We also know that the levels of transformation leadership required from Australian leaders will continue to increase. The successful implementation of corporate change in response to pressures from globalisation and internationalisation requires that managers and leaders continue to adopt more transformational styles. In the VET and other sectors of our economy, our managers and leaders need to show the qualities and skills that allow them to create a shared vision; to live the values they espouse; to build teamwork and partnership; to think globally and manage locally; to appreciate and use cultural diversity; to develop and empower their people; to share leaderships; and to embrace change (see also Andersen Consulting 2000). On the other hand, the considerable challenge of any change program is that such skills need to be

demonstrated when employees are confused, anxious and stressed (Callan 1993a; Callan, Terry & Schweitzer 1994).

Central to transformational leadership is the need to manage and lead change. Australian managers and leaders, however, have had mixed success in delivering structural and cultural change. The same holds true for managers in other contexts. Quite often at the heart of poorly managed change is a failure of managers and leaders to understand employee perceptions of change, and to provide adequate communication as well as an appealing vision (Terry & Callan 1997). Our leaders not only need to be skilled in helping their employees cope with change, but they also need to have personal qualities that reveal robustness, a tolerance of ambiguity and a willingness to reflect and learn from their mistakes (Andersen Consulting 2000).

Summary

In summary, transformational leadership can be found at any level in any organisation. In particular, Australian managers and leaders in the VET sector are being asked to adopt more transformational styles, especially in order to respond to pressures for continued change. As this brief introduction reveals, there is a wide range of qualities and skills that a manager needs to adopt as he or she moves to this more enabling transformational style of leading others.

Little is known, however, of the skills, qualities and capabilities demanded of managers and leaders in Australia who are required to compete successfully in the increasingly global training market. The current research project is a response to an identified need by the NCVER to investigate the role, functions and skills required of senior managers, directors and departmental heads currently leading the VET sector.

The specific goals of the current project are the identification of the capabilities needed for both senior management and other managers within registered training organisations (RTOs) who must respond and deal with the demands of our increasingly global and competitive education and training environment. Behind this research will be a capability-based approach to understanding the skills and abilities required of managers and leaders today.

Framework for identifying senior manager and executive capabilities

There is a considerable body of theory and research into what managers and executives do. At one level, research has identified the categories of work completed by managers. Well-known typologies like those of Mintzberg (1973), Kotter (1982) and Hill (1992) describe the roles and required skills for senior managers as being those of figurehead, leader, mentor, entrepreneur, resource allocator and disturbance handler. Callan (1995), in the Karpin report, also described the degree of ease or difficulty of acquisition of specific skills as specialist managers moved into more general management roles.

At the senior management and executive level, studies of leadership and executive capabilities (for example, Dickenson 1994; Yukl 1994) have found the need for senior staff to have skills in:

- strategic leadership (including visioning and agenda setting)
- interpersonal skills
- analytical/problem-solving/decision-making skills
- strategic thinking
- emotional resilience
- self-development

In particular, these studies reveal the complex, ambiguous and broad nature of the work of senior managers and executives.

The doctoral research by Dickenson (1994), supervised by this investigator, led to the development of a senior executive framework for the Queensland Public Service. In later work, I have developed and applied management and leadership frameworks to provide 360-degree evaluations of leadership performance in public (for example, Queensland State Government departments and the Australian Public Service) and private sector organisations (for example, Comalco and Suncorp-Metway Limited). The initial aims of the current project were to build upon these understandings, and to confirm a leadership and management capability framework for the VET sector. The next task was to apply this framework to identify the training and development needs of its VET directors, senior managers and departmental heads.

Aims and outcomes

The aims of the current study were to:

- develop a management and leadership framework that defines the skills and capabilities required of senior managers and directors within VET providers, as well as departmental heads
- use this framework to conduct a developmental needs analysis on a sample of Australian managers working in the VET sector
- analyse these findings to identify areas for future professional development for three types of respondents—directors, senior managers and departmental heads
- discuss strategies that might be employed within the VET sector to provide professional development to meet the developmental needs of these staff

The outcomes of this research include:

- a leadership and management capability framework for the VET sector
- identification of priority areas for skills development and training for these managers and leaders
- suggestions of training and development strategies for their managers/leaders

The next section describes the development of this leadership and management capability framework for VET.

Developing a management and leadership capability framework for VET

The framework to be presented here emerges from two different but related processes:

- the findings of interviews and focus group meetings with VET managers—nine institutions were visited in Queensland, New South Wales and Victoria. In total, 30 senior and other managers were interviewed
- reviews of the management and leadership literatures in Australia and elsewhere on the skills, qualities and capabilities of senior managers, as well as the challenges facing them in increasingly competitive environments

The next section summarises the major findings from the interviews and focus groups. All of these interviews and meetings were conducted by the researcher. On average, three hours were spent at each institution and considerable time was spent in summarising the findings of these meetings, and in reading additional material provided by directors or deputy directors (for example, annual reports, business plans, strategy statements, materials relating to courses).

Findings from interviews and focus group meetings

Five major issues emerged from these interviews and meetings with the 30 senior VET managers. Each issue is now discussed in more detail.

Managing and leading change

This issue emerged as the major challenge facing senior managers in the organisations. In particular, a key issue was the successful management and leadership of cultural change, especially in TAFE organisations where managers were attempting a major shift in the values and behaviours of staff.

Many teachers and staff have been in VET for a long period of time. Many values were perceived to be 'out-of-fit' with the new, highly competitive training environment. According to those interviewed, old values in TAFE are generally characterised by the following:

- being budget-driven
- existing as a monopoly provider
- being able in this environment to display reactive management
- the dominance of teacher-centred curriculum
- a high level of professional arrogance
- high levels of introspectivity
- teachers who do not mix with industry
- little customer focus and little flexibility

The new values, still emerging through a series of major change processes over the last decade and continuing today, include:

- a strong outcomes focus for the major stakeholders, together with a balance of business and community interests
- a competitive and increasingly global focus
- proactive styles of management
- a student-centred approach
- a willingness to learn new skills as managers and teachers
- an outward and increasingly international focus
- teachers who now accept the need to mix with industry
- a growing customer focus
- continued experimentation in producing higher levels of flexibility in access to products and services by students and industry

The new value systems being established in the larger TAFE organisations are also strongly focussed upon the need for business success. In discussions with directors and their senior staff, it was felt that this business success would be achieved through:

- a commitment to a shared vision
- services that were high in quality, innovation, and responsiveness
- team-building and team learning
- personal and professional development of staff
- recognition of performance, professionalism, and integrity
- honesty and trust
- ethical practices

Within these new corporate cultures, critical success factors now relate to aspects of the VET sector being a 'strong customer', and include:

- an industry and community focus demonstrated through responsiveness and diversity
- commitment to meeting the needs for future employability
- responsive, innovative, and flexible learning and delivery strategies
- the clever use of supporting technologies and information systems to monitor and manage performance
- a strong market presence that includes industry, training, and educational partnerships
- attracting and maintaining skilled and adaptable staff
- adoption of a collaborative and team approach
- the installation and implementation of accurate information systems that reinforce the principles of performance measurement and management

Personal development and mastery

This second area of capability to emerge from the interviews is closely related to the high level of current and future change, and levels of competition in the VET sector. Managers emphasised the need to be tolerant of ambiguity, and to be skilled in encouraging others to embrace cultural change. They needed to be resilient, positive about their ability to deal with future challenges, and able to deal with stress. Related capabilities were being able to admit that they do not have all of the answers.

In addition, they reported they had to learn to say 'no', and to use delegation, empowerment and teams to manage their personal workload. Also, they were becoming more proactive in seeking reviews of their performance, and in seeking professional development to enhance their capabilities in a wide range of areas.

Strategic thinking and alliances

Another major challenge and required capability, according to the senior managers interviewed, is the need to be strategically focussed. Senior managers spoke in interviews about the need to understand their outside environment, especially in being willing to seek out new opportunities, to take commercial risks, and to form strategic alliances with competitors, industry, government and other groups.

Managers commented on the critical need to be able to articulate to their staff what is occurring in the outside environment. Broadly, these skills are about managing and leading strategic change, and in defining the need for change. They need to gain support for change at the highest levels. Related to this is the need to communicate a vision or new strategic direction.

These managers also discussed the need to implement, reward and celebrate successes that show progress towards the achievement of established strategic alliances and the achievement of outcomes from them. In establishing these strategic alliances, managers believe that they require better skill sets in communicating to potential partners the strengths their institution and staff bring to such alliances.

A related capability is the ability to establish management information systems that monitor the progress of cultural change and the achievement of objectives. Managers talked about past problems where data were inaccurate or they felt that the wrong indicators were being measured. The current challenge, now that the measurement systems are more accurate and appropriate, is the need to use these systems to drive change at lower levels in the organisation. In particular, more accurate information can be used to show staff the progress, or lack of progress, in their achievement of key objectives.

Interpersonal skills, team-building and communication

Those interviewed reported that these skills were required to meet a wide range of challenges, including the communication of change and in dealing with resistance to change. As skilled communicators they needed to establish good working relationships with staff, government, industry partners and competitors. Directors and managing directors in particular, mentioned the need to build supportive, high-performing teams at a senior level to assist them in managing successful change in a highly competitive VET environment.

Business and entrepreneurial skills

These skills, cited by managers in the interviews, principally relate to their need to operate in a commercial environment. This commercial environment requires capabilities in strategic analysis and business planning, including the implementation of a sound and clear strategy that allows them to exploit to the benefit of the VET sector the size, diversity, knowledge capital and products of the institution. Related capabilities are concerned with determining risk, and an ability to determine what the market wants.

Included among the broader business skills discussed, they listed negotiation skills, networking, being able to identify and sell a new idea or to set up a deal, and related to these skills, establishing similar capabilities in their people and teams. In addition, in the TAFE sector, there was the related set of social influence skills and tactics in convincing major political stakeholders of the need for changes in products, services and their delivery. Respondents described the political constraints upon TAFE institutions that limited their ability to reduce the number of unprofitable courses. Also, they reported difficulties in dealing with poor performers who felt protected as public sector employees or as members of strong unions.

Review of previous research into management and leadership capabilities

The findings from these interviews and focus groups, as well as a review of the major literatures on managing and leading, informed the development of a management and leadership framework for VET. The next section provides a review of the literature relating to the same broad themes to emerge from the interviews and focus groups. These are:

- managing and leading change

- personal development and mastery
- strategic thinking and alliances
- interpersonal skills, team-building and effective communication
- business and entrepreneurial skills

Managing and leading change

In one of the best frameworks for understanding the capabilities required to transform an organisation, Kotter (1996) proposes that managers and leaders of change need to be able to:

- establish a sense of urgency: to examine market and competitive realities, identify and discuss crises or major opportunities
- form a powerful guiding coalition: assemble a group with enough power to lead the change effort and encourage the group to work together as a team
- create a vision: the vision needs to be used to direct the change effort and to develop strategies for achieving the vision
- communicate the vision: use every vehicle possible to communicate the new vision and strategies; teach new behaviours required in the changed organisation through the example of senior people who make up the guiding coalition
- empower others to act on the vision: managers need to remove obstacles to change; that is, to change systems or structures that seriously undermine the vision and encourage risk-taking and non-traditional ideas, activities, and actions
- plan for and create short-term wins: plan for visible performance improvements; create those improvements; recognise and reward employees involved in the improvements
- consolidate improvements and produce still more change: managers should use increased credibility to change systems, structures, and policies that do not fit the vision and hire, promote, and develop employees who can implement the vision; reinvigorate the process with new projects, themes, and change agents
- institutionalise new approaches or new cultural values: managers should articulate the connections between the new behaviours and corporate success and develop the means to ensure leadership development and succession planning

Australian and international research

Studies of Australian managers of successful change reveal similar capabilities (Sarros & Butchatsky 1996; Parry 1996). Such change leaders work with people at all stages of implementing new programs and ideas. Their personal attributes include credibility through honesty, competence, and being forward-looking. They are visible and accessible during change, and during their contacts with people they listen well and with empathy.

In addition, similar characteristics were identified in the Karpin (1995) report. In particular, it was proposed that Australian leaders of the future will be those who desire to be changed, as much as having a desire to change. They will drive this change through their strong skills as communicators and enablers and through a desire

for continuous learning. In short, the transformational leadership of change involves changes in attitudes, motivations, beliefs, and ultimately the behaviour of followers.

Reviews of North American research (see Hriegel & Brandt 1996; Yukl 1994) present similar guidelines for leaders who seek to transform their organisation and its culture. These leaders develop a clear and appealing vision, as well as a strategy for attaining the vision. They articulate and promote the vision and act confidently and optimistically. They use early success in small steps to build confidence, celebrating successes and using dramatic, symbolic actions to emphasise key values. Most significantly, they lead by example, creating, modifying, or eliminating cultural forms that are barriers to change.

British managers in educational institutions also emphasise the significant role they can play in promoting appropriate values and beliefs, setting direction, seeking consensus when possible, and in building the confidence of staff (Lumby & Tomlinson 2000). In other studies of educational leadership, Leithwood and his colleagues have emphasised the need for managed change that leads to the redesign of schools and larger educational institutions as learning organisations. They report that such transformational leaders of change in particular identify and articulate a vision, provide appropriate models and challenge staff to re-think their assumptions (Leithwood, Leonard & Sharratt 1998).

Jack Welch, the highly successful leader of the General Electric Company, was able to place his company at the top of the list of the most profitable companies in the United States, and as one of the world's most profitable companies. Reflecting upon the capabilities required of today's managers and leaders (see Slater 1999), Jack Welch promotes the need to embrace change, and not to fear it. In particular, he emphasises the need to establish change in an organisation so that it is ahead of the rate of change in the industry sector. He cultivates other managers who share the vision, and who work to establish teams of the best people (see also the views of Bennis 1989, 1993).

In the VET sector in Australia (Schofield 1998; Cunningham et al. 2000), and equivalent sectors in the United Kingdom (Hill 2000; Evans & Abbott 1998; Ramsden 1998; Randle & Brady 1997), change has brought many managerial challenges. Central to these changes is the creation of the business of education, and associated with this, the challenges of cultural change in our educational organisations. Individuals are expected to perform better in all aspects of academic work, and to complete more work with fewer resources. Business units in these institutions now operate typically on one-line budgets, seeking profitability, market share, entry into new markets, and competitive advantage.

Commercialisation of educational services has brought related challenges in terms of quality assurance, the need for teamwork, staff workloads, transparency, appropriate reward systems, perceived loss of control over intellectual property, and a move away from collegiate-based decision-making. There is considerable evidence of many staff perceiving flexible learning and the introduction of competency-based training as threats to their autonomy, and as a development that, in their view, gives too much power to students (Evans & Abbott 1998).

Educational leaders clearly need to provide vision and direction in these challenging environments. In a review of the distinctive attributes and skills of effective

educational leaders of change, Scott (1999) proposes that, in Australia, these educational leaders of change need to be supportive, organised, enthusiastic, committed, willing to experiment, and action-oriented. He believes that the best performers are imaginative, can quickly get to the source of a problem, and they understand and can work with the dynamics of the change process.

Another way to examine the change capabilities required of successful managers and leaders is to examine the reasons why change efforts fail. The failure to lead change is linked to the following factors:

- not establishing sufficient sense of urgency
- not creating a powerful guiding coalition
- lacking a vision
- undercommunicating the vision by a factor of ten
- not removing obstacles to the new vision
- not systematically planning for and creating short-term wins
- declaring victory too soon
- not anchoring changes in the new culture (see Kotter 1995; Shapiro 1995; Dubrin 1998)

Incorporating these issues into a management and capability framework for the VET sector, two capabilities (and their specific elements) are proposed:

Corporate vision and direction

- promotes and communicates a clear vision for the organisation
- involves people in determining how to achieve the vision
- builds a successful corporate team
- establishes clear expectations about the level of performance required of team members to achieve the vision
- inspires people to commit to achieving the vision
- develops an effective strategy at achieving the vision
- supports the vision of leaders who are above them in the organisation

Change leadership

- alters organisational structures and practices to meet client needs
- demonstrates a willingness to seek others' views about new initiatives or changes for the organisation
- uses a range of strategies to change the organisation's culture and value systems
- galvanises others to act on required changes
- adopts a planned and staged approach to the management of change
- gains the commitment of staff to the adoption of new practices in the delivery of education and training
- works with ambiguity and uncertainty
- communicates the need for change to staff using a wide range of communication channels and opportunities

- facilitates individuals to work together to identify and achieve common goals
- challenges the system when change is needed

Personal development and mastery

Recent debates and discussions with leaders, and particularly about why individuals fail as leaders, have centred on the concept of emotional intelligence (Goleman 1998). Many of the issues raised in the VET interviews and focus groups also relate to this notion. Significantly, various writers on educational leadership (for example, Watson 2000) have also emphasised the value of Goleman's ideas towards defining the skills, behaviours and actions required of leaders in the education sectors.

Leaders with high levels of emotional intelligence demonstrate high levels of self-awareness, self-regulation and empathy. We know that managers and leaders who have higher levels of emotional intelligence have more productive organisations. In the context of self-awareness, we mean the ability to recognise and understand one's own moods, emotions, and drives, as well as their effects on others. People who have high levels of emotional intelligence show self-confidence, provide realistic self-assessment, and demonstrate a self-deprecating sense of humour.

Goleman describes self-regulation as the ability to control or redirect disruptive impulses and moods. Managers who have high levels of emotional intelligence show a propensity to suspend judgment and to think before they act. They show trustworthiness and integrity, are comfortable with ambiguity, and are open to change. In addition, managers who are emotionally intelligent are empathetic. They demonstrate an ability to understand the emotional makeup of other people, and show skill in treating people according to their emotional reactions. In addition, they demonstrate expertise in building and retaining talent, and in providing service to clients and customers.

Unfortunately, the standing of the concept of emotional intelligence is currently under challenge due to Goleman's habit of making sweeping and largely unsubstantiated assertions about the importance of emotional intelligence for life achievement. Nevertheless, it is a useful concept for summarising the emotional capabilities and qualities required of successful managers.

Considerable research has been conducted into how people cope with organisational change and mergers. The research identifies the need for managers and leaders in VET to engage in self-development to make them self-aware, self-regulated and empathetic. Change leadership requires a capability to motivate, energise and to inspire people. Change is not about exercising control; rather, it is about the manager having the self-awareness and motivational skills to link change to satisfying basic human needs for achievement; that is, having a sense of belonging, recognition, self-esteem and the ability to be in control of one's life. In several Australian studies, this investigator (for example, Callan 1993a; Terry, Callan & Sartori 1996; Terry & Callan 1997) has identified that those who cope well with change, as leaders or followers, show personal resilience and hardiness. They are tolerant of ambiguity. They have a higher internal locus of control which makes them attribute failure to issues outside their control. Their social skills allow them to create strong supportive networks of

people. Their coping styles show a preference for problem-solving ('fight' reactions) rather than emotion responses to change ('flight' reactions).

These characteristics are also supported in tests of the trait theories of leadership. Underlying the trait approach is the view that some people are born to lead, being endowed with certain personality traits not possessed by others. This theory of the 1930s and 1940s has experienced a revival in interest in the 1990s as a result of findings from better designed research studies. These studies reveal some general leader attributes (rather than specific personality traits) linked to leadership effectiveness. In particular, these traits and more general leadership attributes are typically associated with transformational styles of leadership.

As various reviews (Avolio 1995; Church & Waclawski 1998; Bass 1990) of trait studies reveal, successful leaders reveal higher levels of self-confidence, and a high need for achievement. They strive to complete tasks successfully and enjoy the achievement of accomplishing challenging goals. They show good levels of dependability or conscientiousness, being perceived by their followers as careful, responsible and meeting their commitments. Significantly, they display high levels of energy, drive and stress tolerance. These traits include the physical stamina and interpersonal or coping skills that allow them to deal with ambiguous environments, long hours, and incompatible demands. Finally, such leaders tend to be high in sociability and agreeableness. They are outgoing, expressive, humorous, trusting and co-operative with others.

Studies of educational leaders and educational entrepreneurs reveal similar traits in terms of an ability to cope with the demands of change, and to inspire others during difficult times (see Leithwood et al. 1996). It is clear that few leaders possess all of these traits. Most leaders, however, show a combination of low to high scores across most of these traits. The guidelines for VET and other leaders to emerge from such studies highlight the need for managers to know and regularly review their strengths and weaknesses. True leadership is linked to a willingness to work, through continuous learning and self-development, on deficient traits. Furthermore, strong leaders compensate for their deficiencies by sharing leadership responsibilities with others.

Together with Greg Latemore (Latemore & Callan 1998), I recently reviewed studies of the essential qualities of heroes and heroines. We showed a convergence between modern trait theories of leadership, and the ancient Greek concept of archetypes that define several key qualities in leaders. A modern day Odyssean hero or heroine who leads Australian enterprises has many of the qualities that Goleman (1998) associates with the emotionally intelligent leader. We know, for instance, that the heroes and heroines of ancient times sought personal development and critically reviewed their capabilities.

In addition, we found considerable overlap with the heroic qualities and the capabilities that Sarros and Butchatsky (1996) found in Australians who ultimately joined the list of Australia's top CEOs. These Australian leaders reflect upon the need to understand themselves, including reflecting upon the values and behaviours that drive their beliefs and behaviours. Such leaders review their self-development in the light of their personal beliefs. Like the ancient heroes and heroines of the past, they

accept that they have a destiny, even a messianic vocation (for example, Buddha, Luke Skywalker in the *Star wars* trilogy). They are not loners, but team players. They view leadership as a journey, being not just travellers, but pathfinders.

In recent times, much is being written about the need for passion, and the soul or spirit of leadership. Examples of this include discussions of the concepts of post-heroic leadership (Sarros & Butchatsky 1996), servant leadership (Greenleaf 1977) and the need for leaders to understand the deeper motivations and emotions behind their behaviours (Ashkanasy, Hartel & Zerbe 2000). These discussions of spirit and soul are emerging at the same time that there is substantial evidence that Australian and other leaders are quickly becoming tired and exhausted (see Parry 1996). If leaders are tired, cynical and disillusioned, something else within them may need to be honoured and nurtured rather than their simply developing more knowledge, skills and robustness. Campbell (1988), for instance, argues that a large part of what is missing in our leaders is concerned with the power of myth and the passion to lead. To Campbell, a person without a myth has no link either with the past, nor with the ancestral life which continues within the individual. He would propose that a critical openness to the past is one way of rekindling the passion for leadership.

Moreover, it is clear that many leaders in the past were acutely aware of their 'connectedness', not just with the task and with their followers, but also with history and life itself. Carl Jung (1933) highlighted the importance of recognising a deeper dimension rather than having a purely conscious view of the world. More recently, writers like Senge (1994) in his *The fifth discipline*, and Covey (1989) in *The seven habits of highly effective people* have promoted very successfully the need for managers to master or gain mastery of the principles underlying the way they produce results. These authors emphasise the need to engage in a search for personal mastery to encourage courageous acts which ultimately shape the destiny of the leader and their enterprise.

Discussions of servant leadership reflect upon how managers and leaders need to show a willingness to grow and change. Greenleaf (1977) has been one of the earliest and most passionate of the modern advocates of this ancient viewpoint. For him, a servant–leader is one who is a servant first. The test of servant–leadership is to determine whether those served grow as persons? Do they, while being served, become healthier, wiser, more autonomous, and more likely themselves to become servants? At its core, servant–leadership is a long-term, transformational approach to life and work. There is nothing soft or 'wimpish' about servant–leadership. The strategic toughness of this approach requires that core values such as honesty, integrity, fairness, respect, good citizenship, and accountability operate congruently within an organisation.

The heroic stature of Mother Teresa of Calcutta, Fred Hollows or Victor Chang of Australia or Nelson Mandela of South Africa, possibly lies in their being servant–leaders. They did not focus on their own reputation or career, but on the needs of their people. They provided something worthwhile and gave of themselves with true dedication. In addition, Peter Ellyard (1998), an Australian futurist, also advocates the necessity for our leaders to display a willingness for continuous learning. He advocates the application of the four Cs of leadership—courage, commitment, caring and compassion—as leaders chart a 'preferred future' vision for their organisations.

He believes that great leaders like Nelson Mandela achieve great outcomes for their followers as a result of their consistent focus on such qualities.

Writing about educational leadership in Australia and elsewhere, Scott (1999) argues that the leaders who succeed are effective at managing personal change and improvement. These successful leaders believe that individual and organisational change and learning are inextricably linked. Ramsden (1998), in analysing leadership at our Australian universities, links effective academic leadership with those who are not self-interested or self-important; rather, they encourage colleagues to learn new things, to learn from each other, and to share what they learn.

In summary, a major capability required of today's managers and leaders is a willingness to be able to engage in personal development and continuous learning towards acquisition of a sense of personal mastery. Personal mastery means being aware, as managers and leaders, of one's own weaknesses as well as strengths. It means that managers need to review their skills and abilities continually. Furthermore, it involves a process of continuous learning and personal growth, driven by the understanding that people who have high levels of personal mastery are acutely aware of their ignorance, their incompetence, and their growth areas.

In the VET management and leadership capability profile being developed within this report, these issues are presented within the following capability:

Personal development and mastery

- demonstrates personal integrity and applies ethical practices
- understands his/her strengths and weaknesses
- recognises and addresses areas for personal development to be a better manager and leader
- knows when to lead and when to follow
- admits to mistakes and errors of judgment
- demonstrates self-confidence as a leader
- recognises and accepts the need to seek support and help in their professional development
- shows appropriate emotional responses in a variety of situations
- has the technological knowledge needed to succeed in tomorrow's world

Strategic thinking and alliances

Transforming leaders guide an organisation through strategic planning processes. However, their main focus is not upon the strategic planning exercise, but rather on the promotion of strategic thinking at a day-to-day level throughout the organisation.

Transformational leadership involves purposeful and organised searches for change (Tichy & Devanna 1986). Strategic leaders read the environment for trends and issues that may affect the organisation. They design strategies, programs, and policies to meet the needs of an array of stakeholders and seek to adapt organisational designs for increased effectiveness and efficiency. Moreover, transforming leaders encourage their staff to take reasonable or calculated risks, and to experiment and innovate. At

the same time, these leaders take care to assess the degree of risk and take steps to reduce the risk of failing by providing risk-takers with the necessary resources and connections to facilitate success. They monitor progress and suggest changes to avoid traps and pitfalls.

As reported by Andersen Consulting (2000), within the context of industry in the late twentieth century, convergence is endemic. A strategic challenge for leaders today is that competitors are also suppliers, customers and partners. Industry boundaries are dissolving, as are boundaries within organisations. Cross-business or internal alliances are expected. In this era of greater boundarylessness—internally, nationally and internationally—leaders acknowledge that alliances, partnerships and strategic outsourcing create new global models that give access to a full range of skills, resources and market offerings. The 'provincialism' that has for so long dominated the thinking of Australian managers and leaders is quickly disappearing as they witness how alliances bring success.

Again, the Jack Welch experience at General Electric (GE) reveals the need for many of these strategic capabilities. He links the success of GE to creating a sense of boundarylessness within the firm, so that ideas flow quickly across various parts of the organisation. His strategic positioning of the firm has centred on globalisation, speed, quality and continuous learning. Reviews of Australian leadership (Carter, Nicholson & Barlow 1995; Parry 1996; Ellyard 1998) also report that, for the senior executive of the future, a global outlook will be the norm. A special focus is the need for leaders in VET and other sectors to be able to manage relationships with Asian customers, suppliers, partners, investors and colleagues. A related skill will be the ability to identify, understand and realise strategies and opportunities in the Asia-Pacific region.

Cunningham and his associates (2000) have reported upon borderless education in Australia. They make considerable reference to the development of corporate universities in the USA, and the philosophy of American companies to outsource or to buy access to online resources to meet their training and development needs. The borderless or boundaryless nature of education is most apparent in the increasingly global education market. In this marketplace, Australian universities, TAFEs and high schools are competing for international students, offering offshore programs, and entering into strategic or 'twinning' arrangements with other educational institutions throughout the world. Online delivery of education and training, and the management of the related financial, contractual, partnering and organisational issues, are the next significant set of challenges for many educational entrepreneurs.

There is substantial evidence that managers in Australia (Karpin 1995) and elsewhere (Kanter, Stein & Jick 1992) are now viewing organisations as coalitions of interests and networks of activities. Acceptance of change means that managers are using networks within and around their organisations to create new alliances and partnerships. Such corporate entrepreneurs in all sectors are using coalitions and alliances to establish new projects beyond the capacities of single organisations. However, as Karpin (1995) noted, Australian managers place at the top of their perceived weaknesses, their short-term view and the lack of a strategic view. Our managers believe that they lack a capability to think globally or to take a 'helicopter view'. Australian managers have shown an inability to build strategic partnerships,

and this issue is a critical failing especially in Australian small-to-medium-sized enterprises (Wawn & Green 1995).

In the Australian VET sector, these strategic skills emerge in the leadership and management of multi-partner campuses. Sommerlad and associates (1998) describe these cross-sectional relationships in terms of the levels of collaboration associated with either amalgamation, partnership, association or separation. Since the mid-1990s, for example, universities have partnered with TAFEs, and in other cases, with local government bodies, high schools and 'hi-top' private colleges and State education departments. Cases of merger are demonstrated in Victoria, where institutions like the Royal Melbourne Institute of Technology and the Victorian University of Technology are responsible for some 40% of TAFE teaching in the State (Doughney 2000). Moreover, different kinds of multi-partner campuses have different types of alliances and impacts upon their regional communities.

This range of partnerships has required considerable skills by managers in resolving financial, administrative and organisational barriers. In their recent report, Shoemaker and his colleagues (2000) note the special challenges in these multi-campus institutions. Challenges include motivating staff, managing issues of different workloads and salary conditions across campuses, and perceptions of a pecking order of status. For instance, they report how university staff members have often assumed a higher rank in leadership teams than TAFE or high school staff.

Within the management and leadership framework being proposed, these strategic issues are summarised under two capabilities:

Focusses strategically

- envisages future trends and their impact on the organisation
- undertakes effective strategic analysis and reviews
- advocates strategic initiatives that keep the organisation ahead of its competitors
- demonstrates a comprehensive understanding of the VET sector, and how new government initiatives potentially impact upon the sector
- evaluates information quickly, critically and strategically
- creates a network of relationships that help to get things done
- assesses a range of solutions rather than the easiest option
- makes a decision about the strategy and moves matters forward without delay
- demonstrates a willingness to look for original solutions which are 'outside the square'

Develops and manages resources

- allocates and manages resources to achieve agreed outcomes
- eliminates waste and unneeded cost
- applies innovative solutions to gain the full use of the physical and other resources of the institution
- implements continuous improvement driven by information available from the institution's performance management processes and systems

- overcomes 'road blocks' that reduce the effective use of resources
- uses new technology well to increase organisational performance

Interpersonal skills, team-building and effective communication

Many of these interpersonal capabilities are central to the success of transformational leaders. Such leaders emphasise the nature of the relationship between the leader and followers, and that leadership is often a collective activity. Sometimes this concept is labelled 'shared leadership' (Deiss & Soete 1997), where staff are expected to be their own leaders, and to be fully empowered.

Many of the VET managers interviewed highlighted the importance of team development and teamwork for the success of their institutions. As various writers reveal (Avolio 1996; Parry 1996), highly developed teams show high levels of trust among members, resulting in a willingness to sacrifice short-term gains for long-term potential. Team members share a sense of collective vision, and members identify with the team. In these situations, individual interests are secondary to the interests of the team. The 'I' and the 'we' operate in complete harmony. The goal is to orchestrate each individual's potential in the organisation, in contrast to substantial evidence of wide discrepancies in the goals of managers and their staff (Callan 1993b). Each individual feels responsible for developing the potential of their colleagues. This drive for the development of others by leaders is also labelled as individualised consideration (Bass & Avolio 1994) or principle-centred leadership (Covey 1989). Over time a constant display of individualised consideration or principle-centred leadership becomes the norm or expectation of other leaders' behaviours. A high level of trust among one's followers is also associated with the emergence of these styles of leadership (Avolio 1996; Pillai, Schriescheim & Williams 1999).

The need for leaders to be excellent communicators, to be strong interpersonally, and to be team-focussed emerge as key behaviours required of transformational leaders. Kouzes and Posner (1987) in their well-known model of leadership have argued that leaders contribute the best to their organisation, and to their followers, when they inspire, enable, and encourage. These interpersonal behaviours emerge in other discussions of successful leaders of change (Kotter 1996), and in reviews of successful styles of Australian leadership (Sinclair 1994; Sarros & Butchatsky 1996). Sometimes labelled as a post-heroic viewpoint of leadership, it avoids a purely patriarchal, military, and individualistic approach to leadership. As Sarros and Butchatsky (1996) explain, a virtual or post-heroic leader does not seek the adulation of peers. Rather, the post-heroic leader is committed to developing leaders at all levels of the organisation.

Australian studies in Melbourne (Carless, Mann & Wearing 1996) and in Brisbane (Jackson 2000) reveal that transformational leaders create more cohesive teams, inspire change, and have followers who have higher levels of work performance. In related Australian studies (Callan 1993b; Gardner, Callan & Terry 1996), higher levels of job satisfaction and organisational commitment, and lower levels of job burnout, are associated with followers who have leaders who give sound advice and listen to the problems of employees. Effective leaders provide reliable and accurate

communication, and seek to use forms of communication that involve an exchange of information, where the leader willingly gives and receives information.

Researchers and industry leaders alike believe that our future leaders need to be highly capable in people and team-building skills. To Karpin (1995), leaders in the future will be part of a team as much as 'head' of a team. They will communicate up, down and sideways. They will be collaborative but considerate of individuals. Furthermore, they will succeed by enabling rather than by holding power and authority. As management gurus like Handy (1996) and Drucker (1999) both observe, leaders of the future will be people who know how to ask rather than to tell. As leaders who are high in emotional intelligence (Goleman 1998), they will be socially skilled; they will be proficient in managing relationships and building networks, and will reveal an ability to find common ground and build rapport. In turn, their effectiveness in leading change will be limited to their expertise in building and leading teams. In the educational sectors, it is believed that the best leaders and managers will be those who can best manage the dramatic changes occurring in the diversity of institutional structures, staff, students and markets (see Brennan & Shah 2000; Ramsden 1998).

Incorporating these skills into the management and leadership capability framework resulted in two dimensions with their associated elements as follows:

Interpersonal relationships

- consults and facilitates the sharing of opinions in deciding upon appropriate actions, products or services
- negotiates persuasively
- liaises and communicates effectively
- appreciates the value of diverse views and opinions
- encourages debate that results in others' opinions rather than their own being adopted
- trusts people enough to 'let go'
- is sensitive to differences in the personalities and motivations of staff

Develops and empowers people

- deals effectively with poor performers by delivering appropriate forms of feedback
- identifies and implements programs and activities which meet staff developmental needs
- seeks opportunities to give advice, coaching or mentoring
- promotes trusting relationships that make staff feel valued
- makes a point of acknowledging good performance
- creates a learning environment for staff that encourages the introduction of innovative products, technologies and systems
- manages external expectations about the performance of staff under his/her responsibility
- actively seeks out, encourages and develops talent
- asks people what they need in order to do their work better

Business and entrepreneurial skills

As the previous discussion has highlighted, there is tremendous pressure upon those who choose to be managers and leaders to motivate and direct employees to achieve extraordinary results. They must be willing to allow employees to be empowered, creative, and to take risks based upon their knowledge and skills. Prior reviews of the broad leadership needs of registered training organisations and TAFE directors also show (as did the interviews discussed earlier) this need to be more entrepreneurial (Wheeler Strobel Consulting Group 2000).

The Karpin (1995) report identified that a major challenge faced by Australian enterprises and institutions is the need to develop a positive enterprise culture. Various component studies that were part of the Karpin report revealed that Australian managers generally are rated low on entrepreneurial skills. Also, Australians have mixed views about small business and entrepreneurship that seem to reflect a low tolerance of risk or the lack of an entrepreneurial spirit in our country.

Entrepreneurship involves business skills that include an ability to recognise business opportunities, and a desire to manage appropriate risk-taking activities to bring such opportunities to their full potential. Central to effective entrepreneurship is the ability to mobilise and manage people and financial resources, to bring ideas and projects to fruition (Kurato & Hodgetts 2001; Allen 1999). The major skills required in successful entrepreneurship include many of the areas already discussed under this review of leadership research. The type of entrepreneurship required in the VET sector emerges as a style of corporate entrepreneurship.

The infusion of entrepreneurial thinking into large bureaucratic structures is aimed at assisting organisations in dealing with rapid growth and change, increased competition and drives for improved efficiency (Peters 1997). Facilitating this growth in entrepreneurship is the reduction in levels of government funding to public-sector enterprises, and in the recent years with the bull economy, the rise in the status and publicity associated with entrepreneurial activities. Driving entrepreneurship is:

- the encouragement of action
- the achievement of outcomes; a tolerance (and use of) failure
- rewards for innovation
- a willingness to seek synergies in products and services across the organisation
- a willingness to question rigid processes and red tape

Interestingly, the qualities of successful entrepreneurs – vision driven, a tolerance for ambiguity, high need for achievement, ability to deal with stress – are many of the same qualities discussed earlier under the requirement of successful leaders of change. As shown by successful firms like 3M, entrepreneurs encourage and build entrepreneurship within firms through their championing of risk-taking, innovative reward systems, and structural changes that free-up groups of staff to work on new ideas (Von Hipple, Thomke & Sonnack 1999).

Successful business people understand the commercial nature of their businesses. They understand the nature of competition, the primacy of customer needs, and the importance of selecting, retaining and rewarding the best staff. A major capability is

relationship marketing, which in essence, is concerned with building trust, satisfying customers, producing shared customer and organisational outcomes, communicating effectively with customers, and customers being perceived as part of the team (Allen 1999).

In summary, successful businesses have managers who are skilled in planning, marketing, people management and in understanding the commercial and financial side of doing business. These skills are represented in the management and leadership profile under two dimensions as follows:

Achieves outcomes

- achieves results that lead to long-term value for stakeholders
- creates a culture of achievement by ensuring that new initiatives actually produce expected outcomes
- sets and monitors clear performance standards
- inspires others to achieve the highest levels of quality
- develops and implements ongoing evaluation processes to monitor the efficiency, effectiveness and equity of outcomes
- applies a commercial orientation in the organisation by focussing on efficient and effective use of resources
- converts new ideas into value-added products and services
- effectively translates innovative ideas into business results
- holds people accountable for results

Business and entrepreneurial skills

- uses marketing skills to identify different segments and product mixes for potential customers
- operates as an educational entrepreneur
- promotes to customers the skills and expertise of staff in the organisation
- demonstrates to customers the partnering potential of people in the organisation
- knows how to close a deal
- encourages a sharing of ideas about sources of new business
- views business processes from the ultimate customer prospective (that is, has an 'end-to-end' view)

Leadership and management capability framework

Applying the framework

This section describes the method for transforming this management and leadership capability profile into a questionnaire to identify the developmental needs of VET sector leaders and managers.

This questionnaire corresponds specifically to the capability areas that:

- were mentioned in the interviews and focus groups with senior managers in the VET sector
- emerge from the findings of previous research and reviews of the skills and behaviours of managers and leaders in Australia and elsewhere

The nine capabilities (and their 73 elements) represented in the questionnaire are identical to those presented in earlier sections. However, the phrasing of specific elements of each capability varies slightly in a few cases. The nine capabilities are:

- corporate vision and direction
- focusses strategically
- achieves outcomes
- develops and manages resources
- change leadership
- interpersonal relationships
- personal development and mastery
- business and entrepreneurial skills
- develops and empowers people

Survey questionnaire

These nine areas of management and leadership capability were incorporated into a structured, self-administered questionnaire. In total, the nine capability areas include 73 elements or items, each relating to an aspect of management and leadership linked to the findings from the interviews and the literature review.

The questionnaire is presented in appendix A. In addition to the capability items, three open-ended questions were included which covered capabilities not included in the questionnaire, the major challenges facing people in the VET sector in the next five years, and other comments.

As can be seen in appendix A, completion of the questionnaire provides both a scoring by managers of their actual as well as required levels of proficiency of each element, as well as the identification of a developmental need through a subtraction of the actual level of proficiency from the required level.

Method

The questionnaire was designed to be highly structured, self-administered and confidential in that no names were requested. A postage-paid return addressed envelope was provided for return of the completed questionnaire by the respondent. Various other assurances of confidentiality were made on the questionnaire cover page.

The questionnaire was mailed to all TAFE institutions in Australia using a list generated from TAFE Directors Australia. Questionnaires were also sent to the larger registered training organisations identified in lists by various State bodies. Telephone discussions were held with people nominated by the NCVER in various States to identify the larger private providers.

Initially all directors, managing directors and CEOs in those institutions were mailed a letter in mid-January 2001, explaining the aims of the research and seeking their cooperation. At this time several institutions decided not to be involved in the research due to time constraints on their staff. A second letter, together with packs of questionnaires was mailed some two weeks later. Packs of 10 questionnaires were sent to the larger institutions. Packs of 5 questionnaires were sent to the smaller institutions. Directors were asked to distribute the questionnaires to senior managers and departmental heads within their institutions.

In total, 396 questionnaires were returned. A sample of 396 is an adequate number of respondents for the analyses. Also it represents approximately a 45% return rate based on institutions mailed.

Data analyses included:

- the calculation of mean ratings by respondents on each of the capability statements
- a difference score for actual versus required levels of capability on each item
- breakdowns of these results by levels of manager and by State
- interpretation of the open-ended questions

Results

Some general comments about the data, the data analyses, and findings are that:

- There were 396 respondents in total, with very little missing data.
- Actual proficiency values are not included in the tables that follow since they are redundant if 'required' and 'difference' values are shown.
- The 'required' data were not particularly informative, since most values are fairly similar (high 5s, low 6s). However, this confirms that the list of capabilities was quite comprehensive, and 'hit the mark' as being seen as essential capabilities for VET managers today.

- Difference scores (required minus actual) greater than one are noted in bold. These differences of one or more are statistically significant, and are used to indicate the more obvious training needs.
- Based on the overall capabilities, there is some tendency for higher-level staff to report higher required proficiencies and greater development needs than lower-level staff.
- Based on rank-order of capabilities, there are only minor differences between the three levels of staff in their developmental needs.
- 'Corporate vision and direction' and 'achieves outcomes' are generally the most important capabilities in terms of training and development needs.
- All of the States and Territories reported similar training needs.
- Where differences emerge, South Australian VET respondents reported relatively high required proficiency and training needs.
- Based on a rank order of competencies, NSW respondents had somewhat different training priorities from the other States, mostly due to the higher rating of the need to develop 'business and entrepreneurial skills'.

Characteristics of VET respondents

Of the 396 respondents, 177 were females, and 219 were males. As table 1 reveals, all levels of respondents were represented. The largest group of respondents labelled themselves as senior managers, directors, and academic staff.

As table 2 reveals, the vast majority of respondents were from TAFE institutions. By location of institution, 47.2% of respondents were from metropolitan institutions; 41.7% were regional; 6.3% were other; and 4.8% identified both regional and metropolitan locations (that is, likely to be based in multi-campus institutional arrangements).

Table 3 indicates the age breakdown of respondents. As to be expected, most of these senior manager respondents were in the age range of 40–59 years.

By State (see table 4), respondents were from all States and Territories. The largest group of respondents was from Victoria and Queensland. In analyses by State, respondents from the ACT/Northern Territory/Tasmania were combined due to their smaller sample sizes. Given the size of its VET management workforce, the response rate from New South Wales is lower than was expected.

Table 5 shows that respondents were from the three levels of management targetted in the research: the CEO/managing director/director level; those reporting to them (and possibly part of the senior management team); and those who identified as level 3 and below or departmental heads.

Table 1: Job title

	Frequency	%
Chief executive officer	14	3.5
Director	75	18.9
Managing director	7	1.8
Senior manager	157	39.6
Dean/executive dean	9	2.3
Pro-vice-chancellor	2	.5
Other	58	14.6
Academic staff	74	18.7
Total	**396**	**100.0**

Table 2: Type of institution

	Frequency	%
TAFE	304	77.4
University	10	2.5
Private provider	34	8.7
High school	5	1.3
Other	23	5.9
Combination	17	4.3
Total	**393**	**100.0**

Table 3: Age grouping

	Frequency	%
20–29 years	6	1.5
30–39 years	45	11.4
40–49 years	188	47.5
50–59 years	145	36.6
60–69 years	12	3.0
Total	**396**	**100.0**

Table 4: State

	Frequency	%
Queensland	99	25.1
New South Wales	46	11.7
Victoria	108	27.4
ACT/NT/Tasmania	28	7.1
South Australia	41	10.4
Western Australia	72	18.3
Total	**394**	**100.0**

Table 5: Levels in the organisation

	Frequency	%
Level 1: CEO/managing director/ director	37	9.3
Level 2: Reporting to level 1 above	171	43.2
Level 3: Reporting to level 2 above	188	47.5
Total	**396**	**100.0**

Note: level 3 includes all staff below level 2.

Analysis of management and leadership capabilities

The tables which follow provide a summary of the mean ratings by respondents of their capabilities under each of the nine capability areas. Tables 6–14 summarise these findings:

- by each of the nine core capabilities
- with the tables indicating mean ratings by each of the three levels of management
- with training and development needs identified—where the rating on required level of proficiency on a seven-point scale was subtracted from the actual level of proficiency also rated on a seven-point scale

As can be seen in table 6, all elements under 'corporate vision and direction' were rated highly on the seven-point scale—where ratings of 5 represented 'high level required', 6 represented 'very high level required' and 7 represented 'extremely high level required'. Perhaps as expected, level 1 managers (CEOs, directors, managing directors) tended to rate higher on the need to be able to display vision and strategic direction.

Using the criterion of a difference of one (which is both statistically significant but also a convenient cut-off point), a training need was identified in four of the seven elements for all respondents. This need is shown by scores of 1 or more being represented in italics. On these four elements, managers at the three levels generally indicated a training need; that is, in the total column under 'training need', there were scores of 1.05, 1.08, 1.01 and 1.15.

VET respondents gave high ratings to the need to be proficient in several areas associated with 'focusses strategically' (see table 7). Training needs, however, only emerged on three elements—envisaging future trends, undertaking effective strategic analysis and advocating strategic initiatives. All three groups of managers indicated training and development needs in these areas.

'Achieves outcomes' was also rated highly as a required level of capability (see table 8). Half of the elements revealed training needs, especially by those in more senior management roles.

Ratings of required levels of proficiency (see table 9) were high across all elements of 'develops and manages resources'. Training needs for all levels of management emerged only in the area of being able to use technology well to increase organisational performance.

Table 6: Corporate vision and direction (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Promotes and communicates a clear vision for the organisation	6.38	6.02	5.56	**5.84**	*1.11*	*1.08*	*1.01*	***1.05***
Effectively involves people in determining how to achieve the vision	6.19	5.93	5.57	**5.78**	*1.03*	.97	*1.01*	**.99**
Builds a successful corporate team	6.41	5.92	5.78	**5.90**	*1.16*	.97	.90	**.95**
Establishes clear expectations about the level of performance required of team members to achieve the vision	6.03	5.85	5.75	**5.82**	*1.00*	*1.18*	*1.01*	***1.08***
Inspires people to commit to achieving the vision	6.27	5.82	5.64	**5.77**	*1.24*	.95	*1.03*	***1.01***
Develops an effective strategy for achieving the vision	6.35	5.86	5.68	**5.82**	*1.19*	*1.09*	*1.20*	***1.15***
Supports the vision of leaders who are above them in the organisation	5.38	6.01	5.78	**5.85**	.54	.67	.79	**.72**

Table 7: Focusses strategically (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Envisages future trends and their impact on the organisation	6.24	6.14	5.68	**5.93**	*1.03*	*1.12*	*1.07*	***1.09***
Undertakes effective strategic analysis and reviews	6.03	5.86	5.38	**5.65**	.89	*1.18*	*1.18*	***1.15***
Advocates strategic initiatives that keep the organisation ahead of its competitors	6.31	6.11	5.55	**5.86**	*1.22*	*1.17*	*1.11*	***1.15***
Demonstrates a comprehensive understanding of the VET sector, and how new government initiatives potentially impact upon the sector	6.08	6.21	5.58	**5.90**	.57	.89	.98	**.90**
Evaluates information quickly, critically and strategically	6.27	6.17	5.80	**6.00**	.89	.89	.87	**.88**
Creates a network of relationships that help to get things done	6.27	6.07	5.86	**5.99**	.84	.85	.69	**.77**
Assesses a range of solutions rather than the easiest option	5.89	5.95	5.67	**5.81**	.70	.60	.53	**.58**
Makes a decision about the strategy and moves matters forward without delay	5.86	5.78	5.59	**5.70**	.73	.79	.77	**.78**
Demonstrates a willingness to look for original solutions which are 'outside the square'	6.03	5.96	5.74	5.86	.89	.73	.65	**.70**

Table 8: Achieves outcomes (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Achieves results that lead to long-term value for stakeholders	6.32	6.11	5.84	**6.00**	.97	.97	.88	**.93**
Creates a culture of achievement by ensuring that new initiatives actually produce expected outcomes	6.24	6.05	5.80	**5.95**	*1.14*	*1.02*	.91	**.98**
Sets and monitors clear performance standards	6.16	5.93	5.66	**5.82**	*1.43*	*1.15*	.94	***1.08***
Inspires others to achieve the highest levels of quality	6.32	6.12	5.81	**5.99**	*1.19*	*1.05*	.83	**.96**
Develops and implements ongoing evaluation processes to monitor the efficiency, effectiveness and equity of outcomes	5.86	5.83	5.66	**5.76**	.86	*1.14*	*1.08*	***1.08***
Applies a commercial orientation in the organisation by focussing on efficient and effective use of resources	6.38	6.05	5.73	**5.93**	.92	.86	.74	**.81**
Converts new ideas into value-added products and services	5.81	5.76	5.45	**5.62**	*1.11*	*1.02*	*1.01*	***1.02***
Effectively translates innovative ideas into business results	5.89	5.76	5.40	**5.60**	*1.22*	*1.11*	*1.10*	***1.12***
Holds people accountable for results	6.16	5.80	5.48	**5.68**	.81	*1.06*	.86	**.94**

Table 9: Develops and manages resources (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Allocates and manages resources to achieve agreed outcomes	6.22	5.99	5.84	**5.94**	.81	.59	.57	**.60**
Eliminates waste and unneeded cost	5.97	5.77	5.65	**5.73**	.92	.77	.75	**.78**
Applies innovative solutions to gain the full use of the physical and other resources of the institution	6.03	5.75	5.62	**5.72**	*1.11*	.94	.73	**.86**
Implements continuous improvement driven by information available from the institution's performance management processes and systems	6.35	5.95	5.65	**5.84**	*1.22*	.98	.97	***1.00***
Overcomes 'road blocks' that reduce the effective use of resources	5.97	5.94	5.60	**5.78**	.73	.98	.96	**.95**
Uses new technology well to increase organisational performance	6.08	5.79	5.78	**5.81**	*1.30*	*1.09*	*1.12*	***1.12***

Ratings on 'change leadership' were high (see table 10). Only the area of gaining the commitment of staff emerged as a major training need for all levels of management.

As table 11 indicates, ratings on the capability of 'interpersonal relationships' were again high in terms of required levels of proficiency, again confirming the inclusion of this core capability and its elements in the proposed management and leadership framework. However, across the board, the size of the training need was much smaller on this capability than for the previous capabilities that were more focussed on strategic and change leadership.

Ratings of required levels of proficiency were high for 'personal development' (see table 12). However, as can be seen, differences between required and actual levels of proficiency were generally small. The exception again is in the area of technological knowledge (see also table 9), which emerged as a higher need than other areas.

Again, the high ratings on required levels of proficiency confirmed the inclusion of 'business and entrepreneurial skills' in the capability framework (see table 13). Marketing skills, and knowing how to close a deal, emerged as the more prominent areas for future development for most levels of managers.

Table 10: Change leadership (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Alters organisational structures and practices to meet client needs	6.35	5.98	5.35	**5.72**	.68	.92	.73	**.80**
Demonstrates a willingness to seek others' views about new initiatives or changes for the organisation	6.35	6.09	5.69	**5.92**	.49	.55	.48	**.51**
Is confident about using a range of strategies to change the organisation's culture and value systems	6.30	6.07	5.62	**5.88**	.78	.99	.90	**.93**
Galvanises others to act on required changes	6.19	6.02	5.61	**5.84**	.92	*1.06*	.96	***1.00***
Adopts a planned and staged approach to the management of change	6.24	5.94	5.69	**5.85**	*1.00*	.83	*1.04*	**.95**
Gains the commitment of staff to the adoption of new practices in the delivery of education and training	6.08	6.05	5.80	**5.94**	*1.08*	*1.04*	*1.07*	***1.05***
Is able to work with ambiguity and uncertainty	6.24	6.05	5.65	**5.88**	.46	.75	.79	**.74**
Communicates the need for change to staff using a wide range of communication channels and opportunities	6.16	6.05	5.70	**5.89**	.76	.91	.85	**.86**
Facilitates individuals to work together to identify and achieve common goals	6.14	6.06	5.82	**5.95**	.97	.84	.71	**.79**
Is willing to challenge the system when change is needed	6.27	6.11	5.85	**6.00**	.51	.59	.71	**.64**

Table 11: Interpersonal relationships (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Consults and facilitates the sharing of opinions in deciding upon appropriate actions, products or services	6.11	6.00	5.76	**5.90**	.59	.58	.51	**.54**
Negotiates persuasively	6.27	6.05	5.68	**5.89**	*1.00*	*1.02*	.78	**.90**
Liaises and communicates effectively	6.35	6.22	6.06	**6.16**	.65	.75	.74	**.74**
Appreciates the value of diverse views and opinions	6.19	6.06	5.82	**5.96**	.43	.59	.49	**.53**
Encourages debate that results in others' opinions rather than their own being adopted	5.95	5.89	5.72	**5.81**	.59	.71	.71	**.70**
Trusts people enough to 'let go'	6.22	6.05	5.86	**5.98**	.78	.62	.69	**.67**
Is sensitive to differences in the personalities and motivations of staff	5.97	6.06	5.91	**5.98**	.57	.54	.55	**.55**

Table 12: Personal development and mastery (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Demonstrates personal integrity and applies ethical practices	6.68	6.42	6.24	**6.36**	.30	.38	.34	**.35**
Deeply understands his/her strengths and weaknesses	6.16	5.95	5.73	**5.87**	.70	.58	.60	**.60**
Recognises and addresses areas for personal development to be a better manager and leader	6.22	5.91	5.77	**5.87**	.81	.77	.84	**.80**
As a team player, knows when to lead and when to follow	6.11	5.99	5.84	**5.93**	.64	.63	.64	**.63**
Admits to mistakes and errors of judgment	6.19	5.86	5.75	**5.84**	.49	.29	.40	**.36**
Demonstrates self-confidence as a leader	6.38	6.19	5.97	**6.10**	.41	.75	.75	**.72**
Recognises and accepts the need to seek support and help in their professional development	5.92	5.80	5.68	**5.75**	.78	.58	.55	**.58**
Shows appropriate emotional responses in a variety of situations	5.89	5.67	5.56	**5.64**	.73	.63	.68	**.66**
Has the technological knowledge needed to succeed in tomorrow's world	5.95	5.92	5.78	**5.86**	*1.14*	*1.16*	*1.11*	***1.13***

Table 13: Business and entrepreneurial skills (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Uses marketing skills to identify different segments and product mixes for potential customers	6.05	5.64	5.30	**5.52**	*1.24*	*1.04*	*1.06*	***1.07***
Operates as an educational entrepreneur	5.95	5.74	5.30	**5.56**	.89	.96	.91	**.93**
Promotes to customers the skills and expertise of staff in the organisation	6.05	5.93	5.51	**5.75**	.49	.76	.47	**.60**
Demonstrates to customers the partnering potential of people in the organisation	6.00	5.75	5.32	**5.57**	.81	.76	.66	**.72**
Knows how to close a deal	6.14	5.72	5.28	**5.55**	*1.05*	*1.07*	.90	**.99**
Encourages a sharing of ideas about sources of new business	6.14	5.75	5.34	**5.60**	.62	.63	.60	**.62**
Views business processes from the ultimate customer prospective (i.e. has an 'end-to-end' view)	6.16	5.96	5.70	**5.86**	.89	.93	.74	**.84**

Ratings of required levels of proficiency on this ninth and final capability in the management framework were again high (see table 14). These ratings confirm the value of incorporating this capability into the proposed framework. Dealing with poor performers was the major developmental need for all levels of managers.

Table 15 summarises the mean ratings by all respondents on each of the nine capability areas. In terms of training needs, the largest gaps between required and actual levels of proficiency were for level 1 managers in the areas of 'corporate vision and direction', 'achieves outcomes' and 'develops and manages resources'.

Table 14: Develops and empowers people (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Deals effectively with poor performers by delivering appropriate forms of feedback	6.16	6.03	5.80	**5.93**	*1.24*	*1.39*	*1.28*	***1.32***
Identifies and implements programs and activities which meet staff developmental needs	6.03	5.82	5.64	**5.75**	.70	.87	.79	**.82**
Seeks opportunities to give advice, coaching or mentoring	5.86	5.81	5.61	**5.72**	.57	.77	.68	**.71**
Promotes trusting relationships that make staff feel valued	6.14	6.09	5.94	**6.02**	.59	.59	.51	**.55**
Makes a point of acknowledging good performance	6.30	6.13	5.96	**6.07**	.49	.57	.37	**.47**
Creates a learning environment for staff that encourages the introduction of innovative products, technologies and systems	6.14	6.05	5.83	**5.95**	.78	.92	.76	**.83**
Manages external expectations about the performance of staff under one's responsibility	5.97	5.79	5.67	**5.75**	.78	*1.02*	.88	**.93**
Actively seeks out, encourages and develops talent	6.03	5.94	5.64	**5.81**	.68	.68	.71	**.69**
Asks people what they need in order to do their work better	5.95	5.77	5.59	**5.70**	.62	.62	.65	**.64**

Table 15: Overall capabilities (split by level)

	Required level of proficiency				Training need (required – actual)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Corporate vision and direction	6.18	5.91	5.67	**5.82**	*1.03*	.99	.98	**.99**
Focusses strategically	6.11	6.03	5.65	**5.86**	.86	.92	.87	**.89**
Achieves outcomes	6.13	5.94	5.65	**5.82**	*1.07*	*1.04*	.92	**.99**
Develops and manages resources	6.10	5.87	5.69	**5.80**	*1.01*	.89	.85	**.88**
Change leadership	6.23	6.04	5.67	**5.88**	.76	.85	.81	**.82**
Interpersonal relationships	6.15	6.05	5.83	**5.95**	.66	.69	.64	**.66**
Personal development and mastery	6.17	5.97	5.82	**5.91**	.67	.64	.66	**.65**
Business and entrepreneurial skills	6.07	5.77	5.39	**5.62**	.86	.88	.76	**.82**
Develops and empowers people	6.06	5.93	5.74	**5.85**	.72	.82	.74	**.77**

When rank-ordered by the mean rating of the size of the training need (table 16), the training needs were similarly ranked across the three groups of managers. Across all groups, the top two areas of training need were either 'corporate vision and direction' or 'achieves outcomes'. The third and fourth areas of training or development need for all managers were either 'focusses strategically' or 'develops and manages resources'.

Table 16: Rank order of training needs for overall capabilities (split by level)

Competency:	Ranking			
	Level 1	Level 2	Level 3	Total
Corporate vision and direction	2	2	1	**1**
Achieves outcomes	1	1	2	**1**
Focusses strategically	4	3	3	**3**
Develops and manages resources	3	4	4	**4**
Change leadership	6	6	5	**5**
Business and entrepreneurial skills	4	5	6	**5**
Develops and empowers people	7	7	7	**7**
Interpersonal relationships	9	8	9	**8**
Personal development and mastery	8	9	8	**9**

Note: Where scores are equal, equal ranks are given and the next rank is skipped.

Appendix B presents similar analyses for the nine capability areas by State and Territory (tables 17–27).

Overall, these analyses by States and Territories reveal that:

- All nine capability areas are important to managers in each State/Territory.
- Overall there is strong agreement by all levels of manager in each State/Territory about the major areas of training or development need. The major areas were 'corporate vision and direction', 'achieves outcomes', 'focusses strategically' and 'develops and manages resources'.
- There are, however, some interesting differences by State/Territory. Managers in South Australia reported relatively high levels of required proficiency and in turn, greater levels of training and development needs (appendix B, table 26). In addition, managers in New South Wales overall place 'business and entrepreneurial skills' as their primary training need, and do so much more than managers in the other States and Territories (appendix B, table 27).

Summary of the qualitative comments

Respondents replied in the questionnaire to three open-ended questions, making comments onto the questionnaire. A sample of 50 respondents was taken for each of the three open-ended questions. However, to ensure a realistic snapshot of the entire country, the number of responses are over-represented from the smaller States and Territories.

Below is a summary of the main themes to emerge from the analysis of the 50 comments for each of the three open-ended questions. Each question is repeated below, and the major topics mentioned by managers are summarised as dot points.

Question 1: Would you please list any capabilities required of senior managers in the VET sector that you believe are not adequately covered in this profile?

Across the range of responses, the major topics mentioned by managers were:

- technology and 'e' business
- financial management
- social and ethical leadership
- balancing work and home life
- stress management
- dealing with bureaucracy

Question 2: As leader and manager in the VET sector, what will be the major challenges facing you in this role in the next five years?

Major challenges which were mentioned most frequently included:

- combining business and education together
- reduced funding and the expectation to do more with less
- on line learning, IT, flexible delivery modes
- increased competition
- staff replacement with an ageing workforce

- maintaining a positive morale amongst workers as the number of casual workers increase, as opposed to the decreasing number of permanent staffing opportunities
- quality of training

Question 3: Below is an opportunity for you to write in any other comments you think are useful.

Many respondents left this question blank. However, those who chose to respond discussed:

- 'e' learning and its increased importance to the customer as a useful learning tool
- the need for educational leaders to possess some business experience, as well as sound educational experience
- government funding and politics, and the impact on the leadership style of the day
- dealing with the increased responsibility to meet the needs of the government through administration, reporting and accountability
- time management to complete all the increased number of tasks
- private providers being a growing concern and providing real competition to TAFEs
- reluctance of the ageing workforce in the sector to adapt to change

Revised framework

The high ratings on all nine capability areas and their elements, confirmed the validity of the management and leadership framework. However, as indicated in the open-ended questions, there was a need for the further development of items in the areas of technology management, financial management, ethical leadership, balance of life, and stress management. Some additional elements related to these areas are included in the revised framework.

The revised capability framework follows:

Corporate vision and direction

- promotes and communicates a clear vision for the organisation
- effectively involves people in determining how to achieve the vision
- builds a successful corporate team
- establishes clear expectations about the level of performance required of team members to achieve the vision
- inspires people to commit to achieving the vision
- develops an effective strategy at achieving the vision
- supports the vision of leaders above them in the organisation

Focusses strategically

- envisages future trends and their impact on the organisation
- undertakes effective strategic analysis and reviews
- advocates strategic initiatives that keep the organisation ahead of its competitors

- demonstrates a comprehensive understanding of the VET sector, and how new government initiatives potentially impact upon the sector
- evaluates information quickly, critically and strategically
- creates a network of relationships that help to get things done
- assesses a range of solutions rather than the easiest option
- makes a decision about the strategy and moves matters forward without delay
- demonstrates a willingness to look for original solutions 'outside the square'

Achieves outcomes

- achieves results that lead to long-term value for stakeholders
- creates a culture of achievement by ensuring that new initiatives actually produce expected outcomes
- sets and monitors clear performance standards
- inspires others to achieve the highest levels of quality
- develops and implements ongoing evaluation processes to monitor the efficiency, effectiveness and equity of outcomes
- applies a commercial orientation in the organisation by focussing on efficient and effective use of resources
- converts new ideas into value-added products and services
- effectively translates innovative ideas into business results
- holds people accountable for results

Develops and manages resources

- allocates and manages resources to achieve agreed outcomes
- eliminates waste and unneeded cost
- applies innovative solutions to gain the full use of the physical and other resources of the institution
- implements continuous improvement driven by information available from the institution's performance management processes and systems
- overcomes 'road blocks' that reduce the effective use of resources
- uses new technology well to increase organisational performance

Change leadership

- alters organisational structures and practices to meet client needs
- demonstrates a willingness to seek others' views about new initiatives or changes for the organisation
- is confident about using a range of strategies to change the organisation's culture and value systems
- galvanises others to act on required changes
- adopts a planned and staged approach to the management of change
- gains the commitment of staff to the adoption of new practices in the delivery of education and training
- is able to work with ambiguity and uncertainty

- communicates the need for change to staff using a wide range of communication channels and opportunities
- facilitates individuals to work together to identify and achieve common goals
- is willing to challenge the system when change is needed

Interpersonal relationships

- consults and facilitates the sharing of opinions in deciding upon appropriate actions, products or services
- negotiates persuasively
- liaises and communicates effectively
- appreciates the value of diverse views and opinions
- encourages debate that results in others' opinions rather than their own being adopted
- trusts people enough to 'let go'
- is sensitive to differences in the personalities and motivations of staff
- applies high standards of ethical behaviour in dealing with staff and clients

Personal development and mastery

- demonstrates personal integrity and applies ethical practices
- understands his/her own strengths and weaknesses
- recognises and addresses areas for personal development to be a better manager and leader
- knows when to lead and when to follow
- admits to mistakes and errors of judgment
- demonstrates self-confidence as a leader
- recognises and accepts the need to seek support and help in their professional development
- shows appropriate emotional responses in a variety of situations
- has the technological knowledge required to succeed in tomorrow's world
- seeks to balance work and home commitments
- engages in positive practices towards the management of the emotional and physical impact of stress

Business and entrepreneurial skills

- uses marketing skills to identify different segments and product mixes for potential customers
- operates as an educational entrepreneur
- promotes the skills and expertise of staff in the organisation to customers
- demonstrates to customers the partnering potential of people in the organisation
- knows how to close a deal
- encourages a sharing of ideas about sources of new business
- views business processes from the ultimate customer prospective (that is, has an 'end-to-end' view)

- operates as a financial manager through the strategic use of budget documents and estimates
- employs financial management systems to make longer-term strategic decisions about the business
- practices and encourages fiscal responsibility

Develops and empowers people

- deals effectively with poor performers by delivering appropriate forms of feedback
- identifies and implements programs and activities which meet staff development needs
- seeks opportunities to give advice, coaching or mentoring
- promotes trusting relationships that make staff feel valued
- makes a point of acknowledging good performance
- creates a learning environment for staff that encourages the introduction of innovative products, technologies and systems
- manages external expectations about the performance of staff under one's responsibility
- actively seeks out, encourages and develops talent
- asks people what they need in order to do their work better

Using the capability framework—strategies for the VET sector

The framework to emerge from this project has obvious applications for designing performance management systems, performance review models, and as input into management and leadership programs. This final section of the report examines a range of strategies available to the VET sector and which are designed to develop further these management and leadership capabilities. In particular, these methods are proposed as potential strategies for building upon existing capabilities, and for closing the training gaps identified in this report.

Methods for training and development can be classified into three broad categories (see Noe 1998)—presentation methods, hands-on methods, and team building methods.

Presentation methods

Presentation methods include lectures and audio-visual techniques, such as leadership videos. Presentations are possible tools for use with VET managers, especially if the presenters are briefed to present their personal theories and leadership experiences in leadership forums.

As the current project reveals, leadership forums on strategic analysis and experiences, for example, might be designed for senior staff in the VET sector. Speakers could include well-known leaders from public and private sector enterprises who have established credibility as strategists and corporate leaders. Other speakers should include senior leaders from the VET sector, while panels of leaders could present personal case study presentations. Even 'hypotheticals' are also possible tools. Panels are especially useful in showing different leadership models and approaches to similar challenges.

In terms of video presentations, there is a large number of videos available dealing with management and leadership skills, including the leadership of change and strategic leadership. There are numerous professional libraries that can be rented or purchased; for example, from institutions such as Harvard Business School, the British Broadcasting Coporation, Pearson Education, and many of the large publishing houses. Videos can also be used to record the presentations of successful VET leaders, and the series of tapes could be made available across the sector.

Hands-on methods

These methods are highly appropriate for developing the management and leadership capabilities of VET managers. These methods include on-the-job training, mentoring, simulations, case studies, business games, role plays, behaviour modelling and placements of 3–6 months or longer in private sector entrepreneurial firms. Most of these methods are applicable to closing gaps in capabilities identified in the areas of corporate vision, strategic thinking and managing for outcomes.

Within this category of on-the-job learning activities at a senior level is the possible use of:

- executive support groups, which meet regularly to share and discuss leadership experiences. Often associated with these groups is the sharing of articles and books on leadership, or invited speakers who meet with the executive group
- visits to mentors, seeing them in action in 'shadowing' roles, or through opportunities for in-depth discussions and critiques by the mentor themselves. Mentoring relationships could be established across institutions, thus providing access to external mentors, and avoiding the problems often caused by in-house mentoring arrangements (for example, perceived favouritism)
- encouragement of managers to establish relationships with trusted peers in the same or related institutions to provide support and advice
- 360-degree leadership evaluation exercises, possibly based on the capability framework described here, or commercially available 360-degree frameworks based on private sector experiences. This form of leadership development is commonly used, and has established itself as a useful developmental tool for leaders, if conducted within appropriate guidelines concerning confidentiality and appropriate forms of feedback. The use of 360-degree evaluation enables managers to focus on capability gaps, and develops frameworks for best practice as leaders and managers
- personal learning contracts as a method to focus managers upon their day-to-day learning on the job, and short and longer-term goals. A related tool is the learning journal, used for formal reflection. Similarly, formal training in reflective activities and behaviours is linked to greater success by managers in developing a sense of personal mastery
- building skills that encourage managers to talk about the mental models that shape their behaviours. Considerable developments in the field of learning organisations are now providing exciting tools such as:
  - discourse management
  - the surfacing and challenging of mental models
  - explorations in systems thinking
  - the application of single and double loop learning techniques
  - positive self talk devices
  - recognising the impact of ladders of inference
  - analyses of various barriers to personal and organisational learning

A program which highlights such learning capabilities and tools would, in all probability, draw upon the writings of Peter Senge, Charles Handy, Chris Argyris, and Stephen Covey.

Team-building methods

A number of devices are available to senior managers which develop their individual capabilities as leaders and managers through group or team-based methods. Team methods often centre on managers sharing ideas and experiences. Teams are used to enhance their understanding of interpersonal and intergroup phenomenon. Links to these groups provides access to supportive networks of staff, peers, mentors and coaches.

Advocates of adventure-based learning highlight the value of shared team experiences in building a sense of team often at the executive level. Tasks are designed to develop team identity, cohesiveness and communication skills and trust. Critics believe adventure-based methods are often too physically demanding, and can challenge the standing of team members if they refuse, for good reasons, not to be involved in risky activities such as high ropes, wall climbing or mountain climbing.

A more appropriate method for the VET sector could be the application of action learning and action learning projects. These methods are especially appropriate at the middle-to-senior manager level. Groups of six to eight managers can establish a learning set, which in itself is a supportive device that encourages reflection about their day-to-day behaviour. At another level, action learning teams work on an actual organisational problem, working through learning cycles and responding to differences in learning styles and team diversity. Action learning can also be employed to break down cross-functional barriers in the workplace. Managers from multiple functions share resources, and develop and implement action plans that can be applied to their own or other parts of the institution.

Another team-based technique is the use of electronic learning networks. These networks, web sites, chat groups and hot links provide a wide range of elements and devices that provide convenience and flexibility. The electronic media can be built or incorporated quite readily into other leadership development strategies.

The choice of training method, finally, depends on issues of financial cost and transferability. Leadership training and development packages can be developed for the VET sector as a whole that would reduce financial cost, and still allow context-based learning relevant to the challenges faced by managers in their specific institutions.

This report has clearly identified at least four major areas of development of VET leaders and managers. Moreover, the key capabilities that emerge are highly similar by level of manager and by State/Territory. These findings support the value of developing national or State-based leadership programs using multiple learning elements such as those described here. As suggested, these learning elements could be accessed from a wide range of tools that exist within the three categories of training and development techniques—presentation methods, on-the-job learning, and group building methods.

Acknowledgement of other work in the sector

It is important to acknowledge prior work and research in progress, relevant to the current report on management and leadership capabilities in the VET sector. An important landmark is the *Management enhancement team approach* (META) for VET organisations produced by the Australian National Training Authority in 1995. META provides an individual competencies framework in part 4 of its resource material. As to be expected, there is a good level of convergence between the META competencies and the findings in this report. The META package provides practical guidance to managers who wish to achieve high performance in their enterprise by using a team-based approach to management development. Its materials provide an easy-to-understand guide for managers who leading and facilitating teams.

ANTA is also supporting 'in progress' research projects on leadership in VET that complement this report. These studies include the *Framing for the future* project that applies action learning to the development of management skills. The *High-skilled high-performing VET* report by John Mitchell and Susan Young will appear in 2001–2. This report provides further insights into the crucial roles of effective VET staff development for the future of Australian industry; how the diversity of VET's work is creating the need for new staff skills and more staff development; and areas for the expansion of management development in VET. The report provides a five-year plan for 'reframing the future'.

Also appearing between 2001 and 2002 will be reports from TAFE Directors Australia on the development of a leadership program for chief executives and senior managers in Australian TAFE institutions. The first phase of this ANTA-funded project will report on research into existing leadership programs for senior education managers, both overseas and in Australia.

Another significant project taking place between 2001 and 2002 is being undertaken by Dianne Mulcahy and relates to management and leadership in VET organisations. This project aims to identify the knowledge and skills which managers and leaders in the VET sector need in order to perform their management and leadership roles. A key assumption underpinning the research is that the roles of managers and leaders within VET organisations are expanding. Consequently, new 'know-how' is required in order to perform these roles. A project funded by ANTA's committee, the National Research and Evaluation Committee, the study is being conducted by the University of Melbourne, in collaboration with four other universities, three TAFE institutes and a community college. Preliminary analysis suggests that the areas of greatest demand on VET managers and leaders, most particularly public sector managers and leaders, are strategic and financial management, and change leadership.

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Appendix A:
Survey questionnaire

PURPOSE OF THIS MANAGEMENT AND LEADERSHIP CAPABILITY PROFILE

The aim of this Management and Leadership Capability Profile is to identify the current capabilities and also leadership development needs of directors, senior managers and departmental heads in the VET sector.

INSTRUCTIONS FOR COMPLETING YOUR PROFILE

Listed in this questionnaire are various management and leadership capabilities mentioned in interviews and group meetings completed with directors, senior managers and heads in the VET sector during September-November 2000.

For each management and leadership capability, you will be asked two questions.

Firstly, please consider the level of proficiency you believe is **required** to perform your current leadership and management roles effectively. Insert a number from 1-7 in the box provided. You may choose from (1) 'Not Required' to (7) 'Extremely High Level Required'. If a capability is Not Relevant to your current role, please insert the number (9) in the box.

Secondly, please consider what you believe is the **actual** level of proficiency you now exhibit in performing your leadership and management roles. You may choose from (1) 'None' to (7) 'Extremely High'. Again, insert the number (9) if a capability is Not Relevant to your current role.

SAMPLE QUESTION	Required Level of Proficiency	Actual Level of Proficiency
Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.	1. Not Required 2. Low Level Required 3. Some Level Required 4. Moderate Level 5. High Level Required 6. Very High Level Required 7. Extremely High Level Required 9. Not Relevant	1. None 2. Low 3. Some 4. Moderate 5. High 6. Very High 7. Extremely High 9. Not Relevant

Sample Item 1.	Builds a successful corporate team	☐	☐
Sample Item 2.	Interacts effectively with the media	☐	☐

In Sample Item 1, the respondent indicates a '5' (High Level Required) for the required level of proficiency, and a '2' (Low) for their actual level of proficiency. Thus the respondent is indicating a difference between their required level of proficiency, and the level of proficiency they currently display. Therefore, a development need is identified by this person.

In Sample Item 2, the respondent indicates that no difference is perceived between what is required in their current role, and the level of proficiency the person currently displays. Therefore, no development need is identified by this person.

COMMENCEMENT OF YOUR MANAGEMENT AND LEADERSHIP CAPABILITY PROFILE

Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.

Required Level of Proficiency

1. Not Required
2. Low Level Required
3. Some Level Required
4. Moderate Level
5. High Level Required
6. Very High Level Required
7. Extremely High Level Required
9. Not Relevant

Actual Level of Proficiency

1. None
2. Low
3. Some
4. Moderate
5. High
6. Very High
7. Extremely High
9. Not Relevant

The First Capability is CORPORATE VISION AND DIRECTION

	Required Level of Proficiency	Actual Level of Proficiency
• Promotes and communicates a clear vision for the organisation	☐	☐
• Effectively involves people in determining how to achieve the vision	☐	☐
• Builds a successful corporate team	☐	☐
• Establishes clear expectations about the level of performance required of team members to achieve the vision	☐	☐
• Inspires people to commit to achieving the vision	☐	☐
• Develops an effective strategy at achieving the vision	☐	☐
• Supports the vision of leaders who are above them in the organisation	☐	☐

The Second Capability is FOCUSSES STRATEGICALLY

	Required Level of Proficiency	Actual Level of Proficiency
• Envisages future trends and their impact on the organisation	☐	☐
• Undertakes effective strategic analysis and reviews	☐	☐
• Advocates strategic initiatives that keep the organisation ahead of its competitors	☐	☐
• Demonstrates a comprehensive understanding of the VET sector, and how new government initiatives potentially impact upon the sector	☐	☐

	Required Level of Proficiency	Actual Level of Proficiency
Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.	1. Not Required 2. Low Level Required 3. Some Level Required 4. Moderate Level 5. High Level Required 6. Very High Level Required 7. Extremely High Level Required 9. Not Relevant	1. None 2. Low 3. Some 4. Moderate 5. High 6. Very High 7. Extremely High 9. Not Relevant

	Required Level of Proficiency	Actual Level of Proficiency
• Evaluates information quickly, critically and strategically	☐	☐
• Creates a network of relationships that help to get things done	☐	☐
• Assesses a range of solutions rather than the easiest option	☐	☐
• Makes a decision about the strategy and moves matters forward without delay	☐	☐
• Demonstrates a willingness to look for original solutions which are 'outside the square'	☐	☐

The Third Capability is ACHIEVES OUTCOMES

	Required Level of Proficiency	Actual Level of Proficiency
• Achieves results that lead to long-term value for stakeholders	☐	☐
• Creates a culture of achievement by ensuring that new initiatives actually produce expected outcomes	☐	☐
• Sets and monitors clear performance standards	☐	☐
• Inspires others to achieve the highest levels of quality	☐	☐
• Develops and implements ongoing evaluation processes to monitor the efficiency, effectiveness and equity of outcomes	☐	☐
• Applies a commercial orientation in the organisation by focussing on efficient and effective use of resources	☐	☐

	Required Level of Proficiency	Actual Level of Proficiency
Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.	1. Not Required 2. Low Level Required 3. Some Level Required 4. Moderate Level 5. High Level Required 6. Very High Level Required 7. Extremely High Level Required 9. Not Relevant	1. None 2. Low 3. Some 4. Moderate 5. High 6. Very High 7. Extremely High 9. Not Relevant

The Fourth Capability is DEVELOPS AND MANAGES RESOURCES

	Required Level of Proficiency	Actual Level of Proficiency
• Converts new ideas into value-added products and services	☐	☐
• Effectively translates innovative ideas into business results	☐	☐
• Holds people accountable for results	☐	☐
• Allocates and manages resources to achieve agreed outcomes	☐	☐
• Eliminates waste and unneeded cost	☐	☐
• Applies innovative solutions to gain the full use of the physical and other resources of the institution	☐	☐
• Implements continuous improvement driven by information available from the institution's performance management processes and systems	☐	☐
• Overcomes 'road blocks' that reduce the effective use of resources	☐	☐
• Uses new technology well to increase organisational performance	☐	☐

The Fifth Capability is CHANGE LEADERSHIP

	Required Level of Proficiency	Actual Level of Proficiency
• Alters organisational structures and practices to meet client needs	☐	☐
• Demonstrates a willingness to seek others' views about new initiatives or changes for the organisation	☐	☐

	Required Level of Proficiency	Actual Level of Proficiency
Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.	1. Not Required 2. Low Level Required 3. Some Level Required 4. Moderate Level 5. High Level Required 6. Very High Level Required 7. Extremely High Level Required 9. Not Relevant	1. None 2. Low 3. Some 4. Moderate 5. High 6. Very High 7. Extremely High 9. Not Relevant

	Required Level of Proficiency	Actual Level of Proficiency
• Is confident about using a range of strategies to change the organisation's culture and value systems	☐	☐
• Galvanises others to act on required changes	☐	☐
• Adopts a planned and staged approach to to the management of change	☐	☐
• Gains the commitment of staff to the adoption of new practices in the delivery of education and training	☐	☐
• Is able to work with ambiguity and uncertainty	☐	☐
• Communicates the need for change to staff using a wide range of communication channels and opportunities	☐	☐
• Facilitates individuals to work together to identify and achieve common goals	☐	☐
• Is willing to challenge the system when change is needed	☐	☐

The Sixth Capability is INTERPERSONAL RELATIONSHIPS

	Required Level of Proficiency	Actual Level of Proficiency
• Consults and facilitates the sharing of opinions in deciding upon appropriate actions, products or services	☐	☐
• Negotiates persuasively	☐	☐
• Liaises and communicates effectively	☐	☐
• Appreciates the value of diverse views and opinions	☐	☐

	Required Level of Proficiency	Actual Level of Proficiency
Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.	1. Not Required 2. Low Level Required 3. Some Level Required 4. Moderate Level 5. High Level Required 6. Very High Level Required 7. Extremely High Level Required 9. Not Relevant	1. None 2. Low 3. Some 4. Moderate 5. High 6. Very High 7. Extremely High 9. Not Relevant

The Seventh Capability is PERSONAL DEVELOPMENT AND MASTERY

	Required Level of Proficiency	Actual Level of Proficiency
• Encourages debate that results in others' opinions rather than their own being adopted	☐	☐
• Trusts people enough to 'let go'	☐	☐
• Is sensitive to differences in the personalities and motivations of staff	☐	☐
• Demonstrates personal integrity and applies ethical practices	☐	☐
• Deeply understands their strengths and weaknesses	☐	☐
• Recognises and addresses areas for personal development to be a better manager and leader	☐	☐
• As a team player, knows when to lead and when to follow	☐	☐
• Admits to mistakes and errors of judgment	☐	☐
• Demonstrates self-confidence as a leader	☐	☐
• Recognises and accepts the need to seek support and help in their professional development	☐	☐
• Shows appropriate emotional responses in a variety of situations	☐	☐
• Has the technological knowledge needed to succeed in tomorrow's world	☐	☐

	Required Level of Proficiency	Actual Level of Proficiency
Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.	1. Not Required 2. Low Level Required 3. Some Level Required 4. Moderate Level 5. High Level Required 6. Very High Level Required 7. Extremely High Level Required 9. Not Relevant	1. None 2. Low 3. Some 4. Moderate 5. High 6. Very High 7. Extremely High 9. Not Relevant

The Eighth Capability is BUSINESS AND ENTREPRENEURIAL SKILLS

	Required Level of Proficiency	Actual Level of Proficiency
• Uses marketing skills to identify different segments and product mixes for potential customers	☐	☐
• Operates as an educational entrepreneur	☐	☐
• Promotes to customers the skills and expertise of staff in the organisation	☐	☐
• Demonstrates to customers the partnering potential of people in the organisation	☐	☐
• Knows how to close a deal	☐	☐
• Encourages a sharing of ideas about sources of new business	☐	☐
• Views business processes from the ultimate customer prospective (i.e. has an 'end-to-end' view)	☐	☐

The Ninth Capability is DEVELOPS AND EMPOWERS PEOPLE

	Required Level of Proficiency	Actual Level of Proficiency
• Deals effectively with poor performers by delivering appropriate forms of feedback	☐	☐
• Identifies and implements programs and activities which meet staff developmental needs	☐	☐
• Seeks opportunities to give advice, coaching or mentoring	☐	☐
• Promotes trusting relationships that make staff feel valued	☐	☐

Using the scale to the right, for each item listed below, please indicate the level of proficiency you believe is required to perform your current role effectively. Then indicate the actual level of proficiency you feel you now exhibit in doing your role.

Required Level of Proficiency

8. Not Required
9. Low Level Required
10. Some Level Required
11. Moderate Level
12. High Level Required
13. Very High Level Required
14. Extremely High Level Required
9. Not Relevant

Actual Level of Proficiency

8. None
9. Low
10. Some
11. Moderate
12. High
13. Very High
14. Extremely High
9. Not Relevant

	Required Level of Proficiency	**Actual Level of Proficiency**
• Makes a point of acknowledging good performance	☐	☐
• Creates a learning environment for staff that encourages the introduction of innovative products, technologies and systems	☐	☐
• Manages external expectations about the performance of staff under one's responsibility	☐	☐
• Actively seeks out, encourages and develops talent	☐	☐
• Asks people what they need in order to do their work better	☐	☐

Q1. Would you please list any capabilities required of senior leaders and managers in the VET sector that you believe are not adequately covered in this profile. *(Any ideas are welcome).*

_____

_____

_____

_____

Q2. As a leader and manager in the VET sector, what will be the major challenges facing you in this role in the next five years? *(Please write down anything that comes to mind)*

_____

_____

_____

BACKGROUND INFORMATION

To assist with the analysis of the above profile, especially differences in development needs due to one's background and experiences, please complete the following background information. If you are in a multi-campus or multi-site institution, think about the site or campus you work mostly from.

Q1. **Please indicate your gender.** *(Circle the appropriate number).*

1. Female
2. Male

Q2. **What is your managerial title (e.g. Chief Executive Officer, Director).** *(Please circle one or more numbers or write in).*

1. Chief Executive Officer
2. Director
3. Managing Director
4. Senior Manager
5. Dean / Executive Dean
6. Pro-Vice-Chancellor
7. Other *(please write in)*

_____

Q3. **Approximately how many staff are on your campus or site?** *(Insert an appropriate number, e.g. 62).*

_____ full-time staff _____ part-time staff

Q4. **Approximately how many students are enrolled in the campus at which you work?** *(Insert an appropriate number, e.g. 62).*

_____full-time students _____part-time students

_____other

Q5. **Approximately how many full-time staff report directly to you?** *(Insert an appropriate number, e.g 8).*

_____staff.

Q6a. **How would you classify your institution?** *(Please circle a number).*

1. TAFE 2. University 3. Private Provider 4. High School

5. Other *(Please write in)*

_____

Q6b. How would you classify your institution? *(Please circle a number)*

1. Metropolitan-based
2. Regional
3. Other *(Please write in)*

_____

Q7. To which age group category do you belong? *(Please circle a category)*

1. under 20 years of age
2. 20 – 29
3. 30 – 39
4. 40 - 49
5. 50 – 59
6. 60 – 69 years of age
7. Other

Q8. What State/Territory is your institution based in? *(Please circle a number)*

1. Queensland
2. New South Wales
3. Victoria
4. Tasmania
5. South Australia
6. Western Australia
7. ACT
8. Northern Territory

Q9. Which of the following best describes your position in the management hierarchy of your institution? *(Please circle a number)*

Level 1 The CEO/The Managing Director/The Director

Level 2 At the level reporting immediately to the CEO/Managing Director/ Director

Level 3 At the level reporting to (2) above

Level 4 At the level reporting to (3) above

Level 5 Other *(please explain)*

_____

_____

BELOW IS AN OPPORTUNITY FOR YOU TO WRITE IN ANY OTHER COMMENTS YOU THINK ARE USEFUL. PLEASE USE THE BACK OF THIS PAGE IF YOU NEED MORE SPACE.

THANK YOU FOR TAKING THE TIME TO COMPLETE THE QUESTIONNAIRE. YOUR CONTRIBUTION IS VERY VALUABLE AND WE APPRECIATE IT.

PLEASE PLACE THE COMPLETED QUESTIONNAIRE IN THE POSTAGE PAID, RETURN ADDRESSED ENVELOPE PROVIDED AND POST BACK TO ME AS SOON AS POSSIBLE.

IF YOU HAVE MISPLACED THE ENVELOPE, SEND THE COMPLETED QUESTIONNAIRE TO:

VICTOR J CALLAN
PROFESSOR AND HEAD
GRADUATE SCHOOL OF MANAGEMENT
THE UNIVERSITY OF QUEENSLAND Q 4072

Appendix B:
Analyses of capabilities by State

Table 17: Corporate vision and direction (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total
Promotes and communicates a clear vision for the organisation	5.77	5.76	5.92	6.11	6.10	5.60	**5.83**	*1.00*	.96	*1.18*	*1.14*	*1.20*	.86	***1.05***
Effectively involves people in determining how to achieve the vision	5.74	5.52	5.94	6.00	6.13	5.50	**5.78**	*1.03*	.83	*1.04*	.96	*1.23*	.86	**.99**
Builds a successful corporate team	5.91	5.95	5.79	6.18	6.02	5.83	**5.90**	*1.12*	.89	.96	.96	.90	.79	**.96**
Establishes clear expectations about the level of performance required of team members to achieve the vision	5.70	5.76	5.95	5.71	5.98	5.75	**5.81**	*1.20*	*1.11*	.98	*1.25*	*1.13*	.99	***1.09***
Inspires people to commit to achieving the vision	5.79	5.83	5.82	5.89	6.27	5.36	**5.78**	*1.10*	*1.17*	*1.03*	*1.11*	*1.22*	.61	***1.01***
Develops an effective strategy at achieving the vision	5.79	5.91	5.89	6.14	5.93	5.58	**5.83**	*1.21*	*1.22*	*1.26*	*1.29*	*1.05*	.87	***1.15***
Supports the vision of leaders who are above them in the organisation	5.68	6.00	5.92	5.79	5.95	5.88	**5.86**	.72	.87	.73	.50	.76	.69	**.72**

Table 18: Focuses strategically (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**
Envisages future trends and their impact on the organisation	5.71	5.96	5.96	6.07	6.28	5.99	**5.94**	.99	*1.24*	*1.18*	*1.25*	*1.15*	.93	***1.09***
Undertakes effective strategic analysis and reviews	5.43	5.53	5.70	5.86	6.05	5.66	**5.65**	*1.10*	*1.09*	*1.26*	*1.21*	*1.40*	.96	***1.16***
Advocates strategic initiatives that keep the organisation ahead of its competitors	5.74	5.61	5.90	5.96	6.34	5.89	**5.87**	*1.26*	.88	*1.06*	*1.04*	*1.32*	*1.27*	***1.15***
Demonstrates a comprehensive understanding of the VET sector, and how new government initiatives potentially impact upon the sector	5.73	5.78	5.94	6.18	6.05	5.99	**5.91**	.98	.91	.82	.79	*1.08*	.86	**.90**
Evaluates information quickly, critically and strategically	5.77	6.26	5.99	6.04	6.30	6.00	**6.00**	.92	*1.17*	.75	*1.00*	*1.15*	.66	**.89**
Creates a network of relationships that help to get things done	5.78	6.11	5.87	6.18	6.45	6.04	**5.99**	.69	.91	.65	*1.07*	.73	.89	**.77**
Assesses a range of solutions rather than the easiest option	5.72	5.91	5.69	5.96	6.25	5.74	**5.81**	.61	.74	.44	.57	*1.00*	.39	**.58**
Makes a decision about the strategy and moves matters forward without delay	5.67	5.76	5.65	5.68	5.90	5.70	**5.70**	.86	.78	.69	.79	.80	.80	**.78**
Demonstrates a willingness to look for original solutions which are 'outside the square'	5.73	5.89	5.88	5.96	6.25	5.76	**5.86**	.62	.91	.68	.86	.88	.60	**.71**

Table 19: Achieves outcomes (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total
Achieves results that lead to long-term value for stakeholders	5.83	5.98	5.98	6.29	6.43	5.94	**6.00**	.92	.91	.86	*1.18*	*1.08*	.90	**.93**
Creates a culture of achievement by ensuring that new initiatives actually produce expected outcomes	5.79	5.98	5.95	6.04	6.42	5.84	**5.95**	.95	*1.07*	*1.01*	.96	*1.13*	.86	**.98**
Sets and monitors clear performance standards	5.66	5.84	5.81	5.68	6.37	5.82	**5.83**	*1.13*	*1.24*	*1.03*	.96	*1.35*	.89	***1.08***
Inspires others to achieve the highest levels of quality	5.84	6.00	5.96	6.04	6.50	5.93	**5.99**	.97	*1.22*	.83	.93	*1.25*	.86	**.97**
Develops and implements ongoing evaluation processes to monitor the efficiency, effectiveness and equity of outcomes	5.57	5.78	5.69	5.89	6.25	5.81	**5.76**	*1.09*	*1.24*	*1.06*	*1.25*	*1.28*	.87	***1.09***
Applies a commercial orientation in the organisation by focusing on efficient and effective use of resources	5.82	5.72	5.98	6.14	6.30	5.83	**5.93**	.78	.89	.76	.79	*1.15*	.70	**.81**
Converts new ideas into value-added products and services	5.59	5.50	5.53	5.54	6.13	5.66	**5.63**	*1.07*	*1.02*	*1.01*	.79	*1.16*	*1.01*	***1.03***
Effectively translates innovative ideas into business results	5.60	5.33	5.53	5.67	6.05	5.63	**5.60**	*1.15*	.98	*1.14*	.93	*1.21*	*1.17*	***1.12***
Holds people accountable for results	5.54	5.52	5.66	5.96	6.21	5.62	**5.68**	.99	.98	.87	*1.00*	*1.21*	.81	**.95**

Table 20: Develops and manages resources (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total
Allocates and manages resources to achieve agreed outcomes	5.75	6.13	5.93	6.18	6.24	5.82	**5.94**	.64	.58	.57	.82	.80	.42	**.60**
Eliminates waste and unneeded cost	5.68	5.76	5.63	5.93	6.12	5.64	**5.73**	.84	.85	.68	.89	.95	.67	**.78**
Applies innovative solutions to gain the full use of the physical and other resources of the institution	5.64	5.54	5.65	5.93	6.10	5.72	**5.71**	.76	.93	.87	*1.07*	*1.07*	.72	**.86**
Implements continuous improvement driven by information available from the institution's performance management processes and systems	5.75	5.87	5.74	5.86	6.49	5.72	**5.84**	*1.08*	*1.31*	.90	*1.04*	*1.15*	.76	***1.00***
Overcomes 'road blocks' that reduce the effective use of resources	5.63	5.74	5.77	5.89	6.32	5.66	**5.78**	.87	*1.04*	.94	*1.18*	*1.02*	.87	**.95**
Uses new technology well to increase organisational performance	5.71	5.91	5.75	5.93	6.12	5.75	**5.81**	*1.18*	*1.11*	*1.12*	*1.11*	*1.22*	*1.03*	***1.13***

Table 21: Change leadership (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**
Alters organisational structures and practices to meet client needs	5.68	5.46	5.59	6.04	6.15	5.82	**5.73**	.68	.89	.83	*1.07*	.95	.71	**.81**
Demonstrates a willingness to seek others' views about new initiatives or changes for the organisation	5.66	6.02	5.92	6.14	6.46	5.83	**5.92**	.37	.67	.50	.54	.76	.46	**.51**
Is confident about using a range of strategies to change the organisation's culture and value systems	5.78	5.76	5.81	6.26	6.24	5.81	**5.87**	.77	.98	*1.04*	*1.07*	*1.10*	.79	**.93**
Galvanises others to act on required changes	5.61	5.78	5.92	6.04	6.29	5.76	**5.84**	.81	*1.11*	*1.07*	*1.11*	*1.17*	.97	***1.00***
Adopts a planned and staged approach to the management of change	5.58	5.89	5.89	6.00	6.27	5.82	**5.84**	.95	.93	.99	.86	*1.20*	.78	**.95**
Gains the commitment of staff to the adoption of new practices in the delivery of education and training	5.87	5.64	5.94	6.25	6.27	5.88	**5.93**	*1.08*	.91	*1.13*	*1.18*	*1.22*	.87	***1.06***
Is able to work with ambiguity and uncertainty	5.84	5.87	5.91	6.21	6.24	5.60	**5.89**	.76	.78	.73	.82	.90	.60	**.74**
Communicates the need for change to staff using a wide range of communication channels and opportunities	5.75	5.98	5.85	6.21	6.44	5.65	**5.89**	.91	.83	.87	.93	*1.07*	.69	**.87**
Facilitates individuals to work together to identify and achieve common goals	5.76	6.11	5.91	6.14	6.49	5.82	**5.95**	.90	.76	.77	.82	*1.00*	.60	**.80**
Is willing to challenge the system when change is needed	5.85	6.07	6.02	6.29	6.41	5.81	**6.00**	.49	.96	.64	.75	.88	.49	**.65**

Table 22: Interpersonal relationships (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total
Consults and facilitates the sharing of opinions in deciding upon appropriate actions, products or services	5.76	5.91	5.84	6.29	6.10	5.87	**5.89**	.55	.61	.56	.46	.68	.43	**.54**
Negotiates persuasively	5.77	5.85	5.89	6.29	6.20	5.76	**5.89**	.87	*1.09*	.85	*1.07*	*1.12*	.74	**.91**
Liaises and communicates effectively	5.93	6.22	6.17	6.43	6.49	6.11	**6.16**	.65	.91	.80	.89	.80	.56	**.74**
Appreciates the value of diverse views and opinions	5.82	5.98	6.01	6.25	6.22	5.81	**5.96**	.47	.72	.60	.54	.63	.32	**.53**
Encourages debate that results in others' opinions rather than their own being adopted	5.62	5.87	5.92	5.96	5.90	5.76	**5.81**	.64	.89	.82	.61	.68	.51	**.70**
Trusts people enough to 'let go'	5.74	6.02	5.97	6.25	6.27	5.99	**5.97**	.67	.63	.71	.71	.59	.68	**.67**
Is sensitive to differences in the personalities and motivations of staff	5.83	5.87	5.91	6.39	6.44	5.96	**5.98**	.63	.43	.60	.71	.54	.36	**.55**

Table 23: Personal development and mastery (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**
Demonstrates personal integrity and applies ethical practices	6.16	6.54	6.38	6.43	6.73	6.24	**6.36**	.35	.50	.35	.39	.51	.17	**.36**
Deeply understands their strengths and weaknesses	5.74	5.87	5.83	5.75	6.46	5.77	**5.86**	.62	.59	.67	.46	.90	.38	**.60**
Recognises and addresses areas for personal development to be a better manager and leader	5.64	5.96	5.92	5.89	6.46	5.71	**5.87**	.74	*1.17*	.88	.68	.93	.51	**.80**
As a team player, knows when to lead and when to follow	5.75	6.02	5.89	6.04	6.49	5.80	**5.93**	.67	.74	.59	.79	.71	.49	**.64**
Admits to mistakes and errors of judgment	5.74	5.83	5.83	5.79	6.49	5.63	**5.84**	.38	.41	.40	.29	.39	.25	**.36**
Demonstrates self-confidence as a leader	5.95	6.00	6.08	6.07	6.54	6.15	**6.10**	.63	.82	.71	.71	.88	.71	**.72**
Recognises and accepts the need to seek support and help in their professional development	5.59	5.76	5.83	5.79	6.15	5.61	**5.75**	.64	.76	.57	.46	.61	.45	**.59**
Shows appropriate emotional responses in a variety of situations	5.56	5.72	5.55	5.57	6.12	5.58	**5.64**	.69	.87	.61	.29	.76	.63	**.66**
Has the technological knowledge needed to succeed in tomorrow's world	5.69	5.93	5.79	6.00	6.25	5.87	**5.86**	.94	*1.46*	*1.18*	.93	*1.35*	*1.13*	***1.14***

Table 24: Business and entrepreneurial skills (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**
Uses marketing skills to identify different segments and product mixes for potential customers	5.55	5.07	5.46	5.61	6.00	5.61	**5.53**	*1.12*	*1.21*	.95	*1.00*	*1.44*	.94	***1.07***
Operates as an educational entrepreneur	5.47	5.22	5.60	5.78	5.92	5.59	**5.57**	*1.00*	*1.27*	.74	.78	*1.18*	.89	**.94**
Promotes to customers the skills and expertise of staff in the organisation	5.69	5.63	5.69	5.82	6.20	5.71	**5.75**	.61	*1.02*	.51	.71	.66	.40	**.61**
Demonstrates to customers the partnering potential of people in the organisation	5.42	5.35	5.58	5.78	6.10	5.54	**5.58**	.77	*1.07*	.55	.67	.83	.66	**.72**
Knows how to close a deal	5.47	5.09	5.55	5.89	6.21	5.46	**5.55**	.89	*1.07*	.95	*1.07*	*1.41*	.87	**.99**
Encourages a sharing of ideas about sources of new business	5.43	5.17	5.67	5.67	6.25	5.59	**5.60**	.59	.81	.60	.52	.85	.51	**.62**
Views business processes from the ultimate customer prospective (i.e. has an 'end-to-end' view)	5.77	5.66	5.82	5.93	6.27	5.89	**5.86**	.80	*1.07*	.83	.89	.90	.69	**.84**

Table 25: Develops and empowers people (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	**Total**
Deals effectively with poor performers by delivering appropriate forms of feedback	5.84	6.09	5.94	6.04	6.17	5.79	**5.94**	*1.38*	*1.72*	*1.31*	*1.14*	*1.54*	.99	***1.33***
Identifies and implements programs and activities which meet staff developmental needs	5.64	5.85	5.73	5.86	6.05	5.65	**5.75**	.90	.96	.78	.75	*1.02*	.58	**.82**
Seeks opportunities to give advice, coaching or mentoring	5.65	5.65	5.76	5.82	6.02	5.56	**5.72**	.74	.65	.72	*1.04*	.68	.55	**.71**
Promotes trusting relationships that make staff feel valued	5.81	6.11	6.02	6.36	6.46	5.87	**6.02**	.52	.50	.59	.93	.71	.33	**.55**
Makes a point of acknowledging good performance	5.86	6.13	6.04	6.39	6.41	6.04	**6.07**	.53	.54	.46	.64	.29	.36	**.46**
Creates a learning environment for staff that encourages the introduction of innovative products, technologies and systems	5.75	6.04	5.97	5.96	6.51	5.81	**5.95**	.87	*1.07*	.75	.75	.90	.74	**.83**
Manages external expectations about the performance of staff under one's responsibility	5.56	5.85	5.72	5.79	6.28	5.66	**5.75**	*1.04*	.93	.92	.82	*1.15*	.71	**.93**
Actively seeks out, encourages and develops talent	5.64	5.91	5.76	5.82	6.39	5.69	**5.81**	.69	.70	.69	.86	.90	.51	**.69**
Asks people what they need in order to do their work better	5.60	5.80	5.61	5.79	6.29	5.51	**5.70**	.72	.61	.56	.93	.56	.58	**.63**

Table 26: Overall competencies (split by State)

Competency	Required level of proficiency							Training need (required – actual)						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total
Corporate vision and direction	5.77	5.81	5.88	5.97	6.06	5.64	**5.83**	*1.05*	*1.02*	*1.02*	*1.03*	*1.07*	.80	**.99**
Focuses strategically	5.70	5.87	5.84	5.99	6.22	5.87	**5.86**	.89	.97	.84	.95	*1.05*	.81	**.89**
Achieves outcomes	5.69	5.74	5.79	5.92	6.29	5.80	**5.82**	*1.00*	*1.06*	.95	.97	*1.20*	.90	**.99**
Develops and manages resources	5.69	5.83	5.74	5.95	6.23	5.72	**5.80**	.90	.97	.85	*1.02*	*1.04*	.74	**.88**
Change leadership	5.73	5.86	5.88	6.16	6.33	5.75	**5.88**	.76	.89	.85	.91	*1.02*	.69	**.83**
Interpersonal relationships	5.78	5.96	5.96	6.27	6.23	5.89	**5.95**	.64	.75	.71	.71	.72	.51	**.66**
Personal development and mastery	5.76	5.96	5.90	5.92	6.41	5.82	**5.91**	.63	.81	.66	.56	.78	.53	**.65**
Business and entrepreneurial skills	5.52	5.35	5.62	5.78	6.12	5.60	**5.63**	.81	*1.09*	.74	.79	*1.02*	.72	**.82**
Develops and empowers people	5.69	5.94	5.84	5.98	6.29	5.72	**5.85**	.80	.85	.75	.87	.86	.60	.77

Table 27: Rank order of training needs for overall competencies (split by State)

Competency	Ranking						
	QLD	NSW	VIC	ACT/ NT/ TAS	SA	WA	Total
Corporate vision and direction	1	3	1	1	2	3	**1**
Achieves outcomes	2	2	2	3	1	1	**1**
Focuses strategically	4	4	5	4	3	2	**3**
Develops and manages resources	3	4	3	2	4	4	**4**
Change leadership	7	6	3	5	5	6	**5**
Business and entrepreneurial skills	5	1	7	7	5	5	**6**
Develops and empowers people	6	7	6	6	7	7	**7**
Interpersonal relationships	8	9	8	8	9	9	**8**
Personal development and mastery	9	8	9	9	8	8	**9**

Note: where scores are equal, equal ranks are given and the next rank is skipped.

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